

THE CITY OF EDMONTON
Financial Statements and Reports
1989



THE CITY OF EDMONTON

Introduction

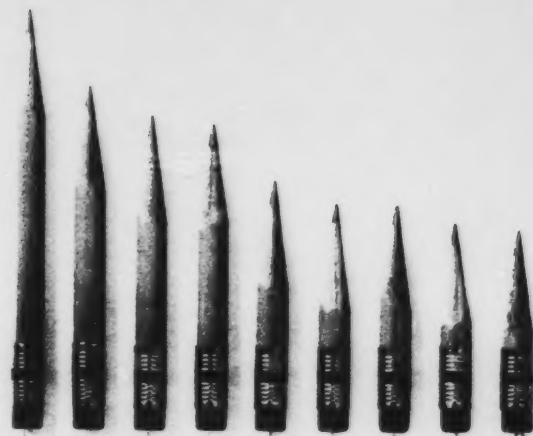
The 1989 Financial Statements profile the decade of the '80s in Edmonton. It was one of Edmonton's most dynamic times, going from heady boom, through severe recession, to steady recovery and growth.

The challenge facing the City of Edmonton was to provide citizens with continued reliable, dependable and effective services even in the face of changeable economic conditions. It has met that challenge and become stronger, ready to meet the '90s.



Combined Revenues
and Expenditures
Source and
Distribution
— 1989 Results

SOURCE OF
INCOME DOLLAR



UTILITIES	\$670,591 • 43.37%
TAXATION	305,704 • 19.77
EDUCATION TAXATION AND GRANTS	201,464 • 13.02
DEPARTMENTAL REVENUE	185,985 • 12.03
GOVERNMENT GRANTS	79,608 • 5.15
BUS AND LIGHT RAIL TRANSIT	36,989 • 2.39
LAND OPERATIONS	36,113 • 2.34
OTHER	18,523 • 1.20
BOARDS AND AUTHORITIES	11,246 • 0.73
	\$1,546,233

Combined Revenues
and Expenditures
Source and
Distribution
— 1990 Estimates

(in thousands of dollars)



UTILITIES	\$709,102 • 43.67%
TAXATION	323,201 • 19.91
EDUCATION TAXATION AND GRANTS	221,088 • 13.62
DEPARTMENTAL REVENUE	183,178 • 11.28
GOVERNMENT GRANTS	86,372 • 5.32
BUS AND LIGHT RAIL TRANSIT	37,583 • 2.31
LAND OPERATIONS	33,241 • 2.05
OTHER	18,000 • 1.11
BOARDS AND AUTHORITIES	11,812 • 0.73
	\$1,623,592

DISTRIBUTION OF INCOME DOLLAR

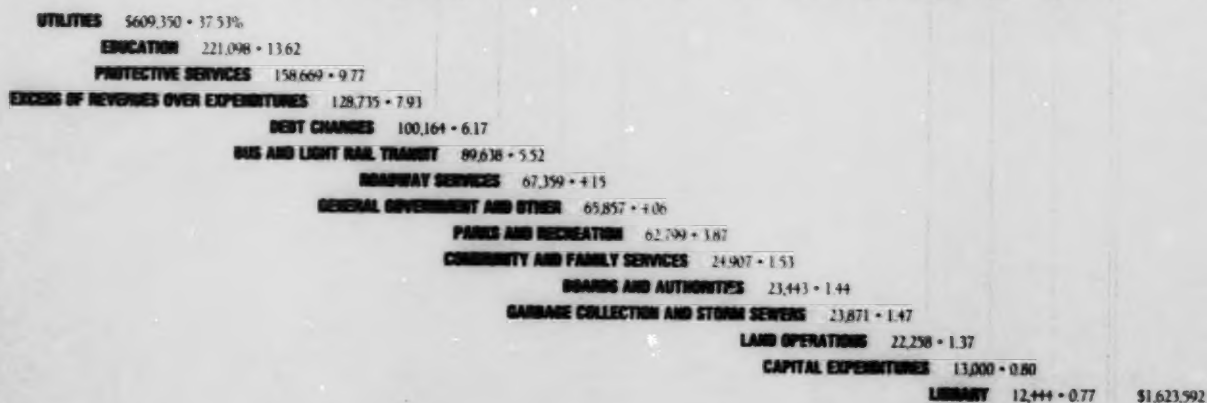
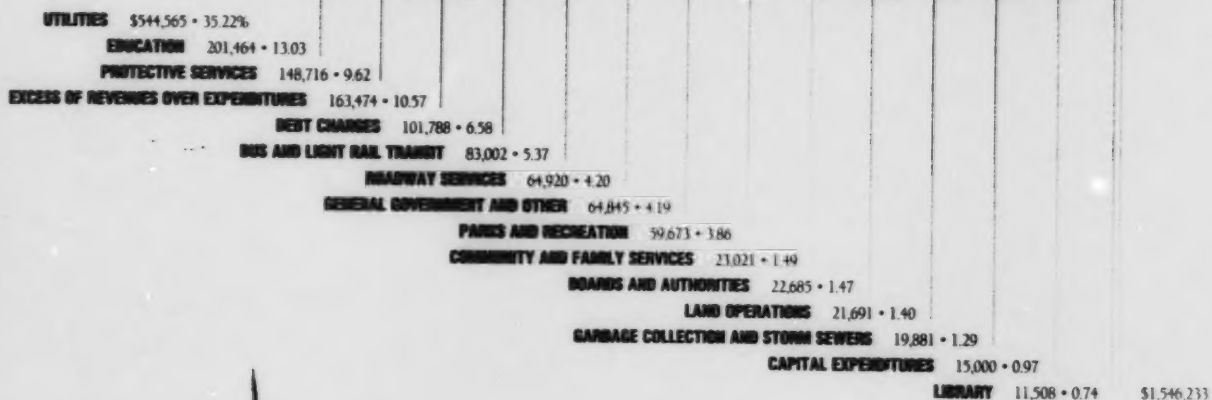


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1989 OFFICIALS

City Manager	C.T.C. Armstrong
Community and Family Services	J. Lackey
Computing Resources	J. Mills
Environmental Services	E. Podivinsky
Finance	R. Ardiel
Fire	L. Jenkins
Parks and Recreation	D. Ausman
Personnel	J.A. Pare
Planning and Development	B. Duncan
Power	E.F. Kyte
Public Works	A. Maurer
Telephones	R.H. David
Transportation	J. Schnablegger

City Solicitor J. Basey

Auditor General E.J. Powell

City Clerk U.S. Watkiss

Boards and Authorities:

Edmonton Ambulance Authority
Chairman Dr. H.R. Stiebritz
General Manager D. Henderson

Edmonton Convention Centre Authority
Chairman D.J. Nevett
General Manager E.K. Kolesch

Edmonton Convention and Tourism Authority
Chairman Mrs. O. Butti
General Manager R. Antonson

Edmonton Economic Development Authority
Chairman R. Rosen
General Manager W.F. Allcock

Edmonton Northlands
President D. Sprague
General Manager G.S. Hughes

Edmonton Police Commission
Chairman Dr. Z. Lakhani
Chief of Police L. Chahley

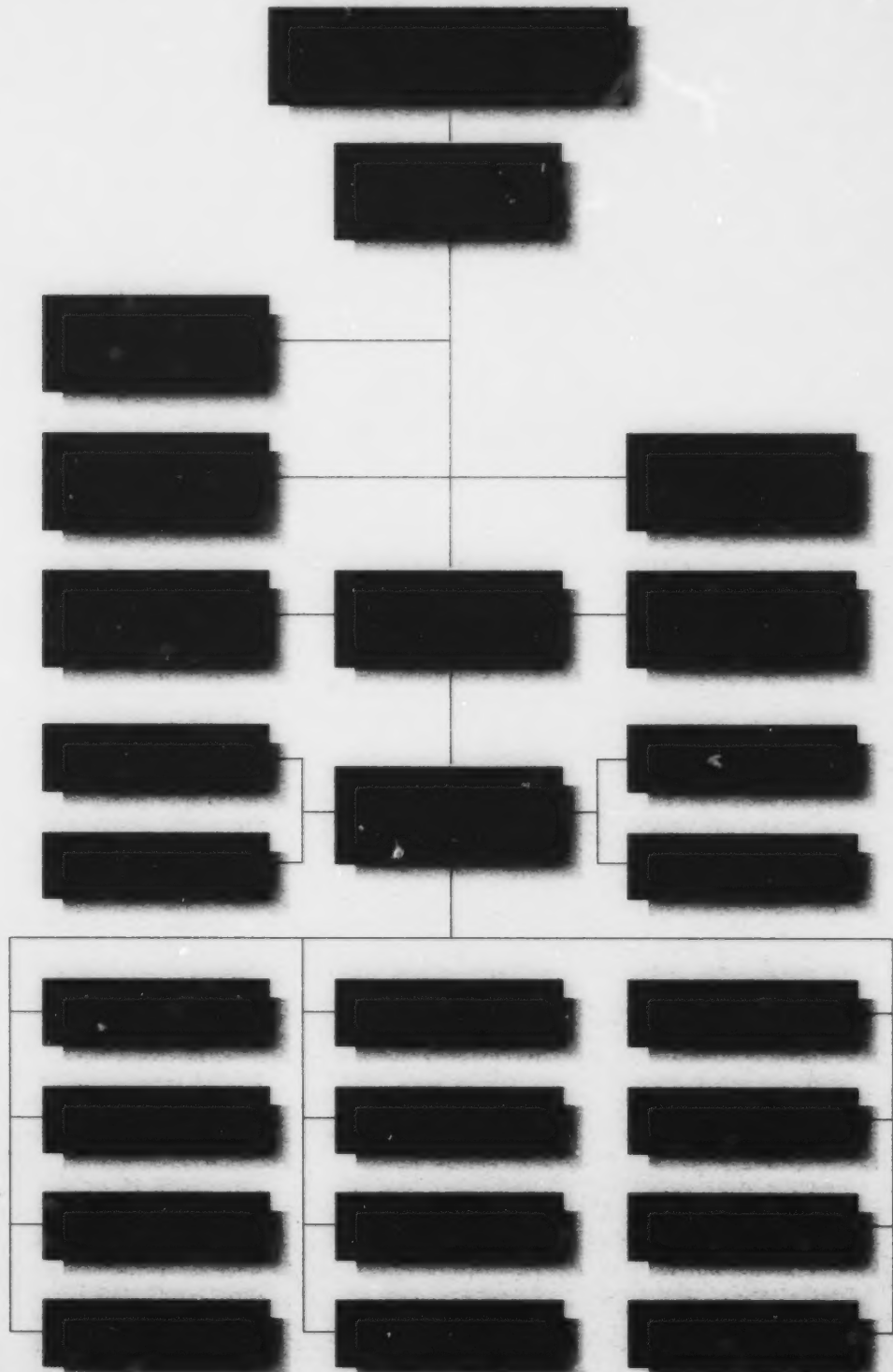
Edmonton Public Library Board
Chairman D. Ross
General Manager V. Richards

Edmonton Research and Development Park Authority
Chairman Dr. G. Tertzakian
General Manager G.A. Mitchell

Municipal Non-Profit Housing Association
Chairman Alderman J. Kinisky
Director D.A. McCullagh

Royal Alexandra Hospital Board
Chairman Alderman L. Staroszik
President Mrs. M. Johnson

LEGISLATIVE AND ADMINISTRATIVE ORGANIZATION CHART



*Edmonton Telephones Corporation reports to City Council acting as a shareholder.

THE CITY OF EDMONTON COUNCIL



Jan Reimer
Mayor



Judy Bethel
Alderman — Ward 3



Mel Binder
Alderman — Ward 4



Bruce Campbell
Alderman — Ward 1



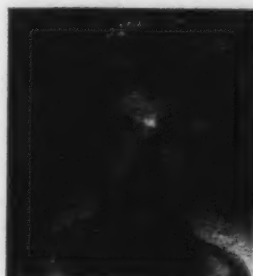
Catherine Chichak
Alderman — Ward 2



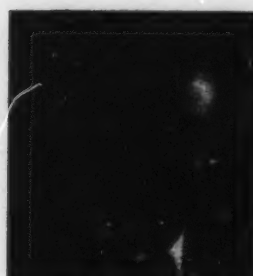
Ron Hayter
Alderman — Ward 2



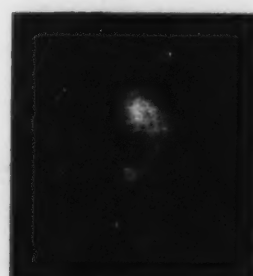
Ken B. Kozak
Alderman — Ward 6



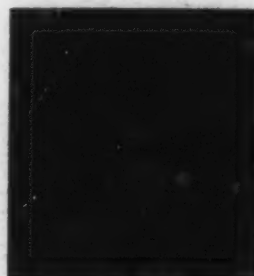
Patricia Mackenzie
Alderman — Ward 5



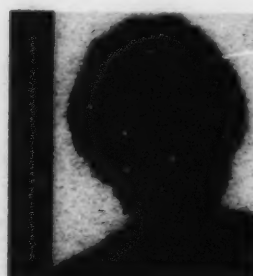
Brian Mason
Alderman — Ward 3



Sheila McKay
Alderman — Ward 6



Helen Paul
Alderman — Ward 1



Lilian J. Stareszk
Alderman — Ward 5



Lance White
Alderman — Ward 4

REPORT FROM THE CITY MANAGER



Cy Armstrong
City Manager - 1989

Your Worship Mayor Reimer and the Council of the City of Edmonton:

It is a pleasure to present the audited Financial Statements and Reports of The Corporation of The City of Edmonton for the year ending December 31, 1989.

The year 1989 brought an end to a challenging decade for Edmonton. While those 10 years contained some difficult economic times, the City emerged lean, competitive and responsive to local and international communities. Edmonton saw the advancement of its light rail transit system, experienced an organized resurgence in its downtown development, and discovered new ways to cater to tourists and citizens alike.

The corporation, itself has been revitalized, developing new directions and focus in economic development, reorganizing to serve its citizens more effectively, and positioning itself strategically in national and international marketplaces.

In 1989, the first generating unit of the Genesee Power Project was completed and connected to the Alberta Interconnected System. The civic election of 1989 featured new voting equipment which will enhance the accuracy and reliability of municipal elections for years to come.

1989 was the last of four years of service by City Manager Cy Armstrong. His management skills channeled the direction of the administration.

In this closing year of the decade, it can be said the City of Edmonton has consistently met its mandate of providing high quality, cost-effective services to its citizens. The City continues to maintain one of the lowest residential tax rates in Canada while services rival those provided anywhere.

My commendations and thanks to all civic employees for responding so well to the challenges of the past decade.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'R. Picherack'.

Richard Picherack,
City Manager

REPORT FROM THE GENERAL MANAGER OF FINANCE AND CITY TREASURER



R.L. Ardiel
General Manager
and City Treasurer

Your Worship the Mayor and Members of the Council of the City of Edmonton:

It is my pleasure to report that The City of Edmonton has successfully met the fiscal challenges of 1989 and continues to provide a high level of municipal and utility services at responsible levels of taxation and utility rates.

Although there was minimal growth in the 1989 assessment base, municipal revenues, and grants from other levels of government, we were able to maintain or enhance existing levels of service. Increases in taxation and utility rates were held within or below inflation and business taxes were maintained at 1988 levels.

The Combined Financial Statements present a summary of the City's operations for the year ended December 31, 1989. Utility operations report a surplus of \$126 million while tax-supported general government operations reported a surplus of \$4.5 million. General government revenues included \$89.5 million in contributions from the utilities in the form of dividends and revenue tax. Tax-supported long-term debt decreased by \$37 million due to the impact of the Debt Management Fiscal Policy. Utility long-term debt increased by \$116 million, primarily as a result of issues related to the Genesee Power Project.

On behalf of the Finance Department, I would like to thank the Members of Council, the management team and all civic employees for their support and cooperation in achieving the favourable 1989 results and maintaining the fiscal integrity of The City of Edmonton.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "R.L. Ardiel". The signature is fluid and cursive.

R.L. Ardiel
General Manager and City Treasurer



1980 The City's credit rating by Standard & Poor's Rating Group of New York improved to an "AA" level, one step below the best possible rating. **1981** Edmonton's economy remained active with the value of new building permits exceeding \$1.1 billion during 1981. **1982** Revenues and tax collections declined despite 10.2% increase in tax assessment, due to annexation. ■ A revised Debt Management Fiscal Policy was ratified for implementation in 1983, providing guidelines for tax-supported

These Debentures having been sold, this announcement appears as a matter of record only.



12 1/2% Sinking Fund Debentures

The first date: June 15, 1983

The second date: June 15, 1987

Price: 99.75 to yield approximately 12.28%
(All interest income is tax-free)

borrowings. Maintaining the City's "AA" credit rating helped provide adequate funds for needed capital projects while limiting the impact on property taxes. **1983** The City began its public borrowing plan to fund the Genesee Power Plant by completing two Canadian debenture

issues for a total of \$100 million — a debt supported by the power utility revenues. The City of



Edmonton received the Urban and Regional Information Systems Association "Exemplary Systems in Government Award" for its Manpower/Payroll Information System.

1984 Bylaw Enforcement and the Utilities Services Departments joined the Finance Department. The 1984 taxable property assessment totalled \$11.2



billion. The Government Finance Officers Association of the United States

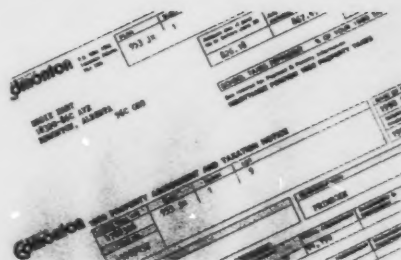
Templeton Growth Fund, Ltd.
30 Year Leadership in Global Equity Funds
Always consider a fund's history, size, and performance.
Minimum \$1,000 per purchase.

The

and Canada (GFOA) presented the City of Edmonton with an "Award for Excellence for

Financial Management" for the Debt Management Fiscal Policy. **1985** The Corporate Budget Office was integrated into the

Finance Department. In May, the City of Edmonton, through the efforts of that Office, became the first Canadian municipality to be granted GFOA's "Award of Excellence" for budgeting and setting local government priorities. **1986** The Corporate Budget Office refined the Integrated Budgeting and Planning System and further developed its analytical role, winning another GFOA award for "Distinguished Budget Presentation" for the 1986 fiscal year. **1987** Plans were developed to provide financing for the acquisition of Chancery



Hall and for the construction of a new City Hall.

1988 Utilities Services implemented on-site, electronic data-capture of meter readings. ■ Property assessment and tax notices were combined, saving the City approximately \$100,000 per year in mailing and processing costs. **1989** The Automated Remittance System was implemented, improving the manual processing of approximately



\$4 million in payments to the City annually. ■ The department moved from City Hall to Chancery Hall; later in the year, City Hall was demolished.





COMBINED FINANCIAL STATEMENTS

Auditors' Report

To Her Worship the Mayor and Members of Council of
The City of Edmonton

We have examined the combined balance sheet of The City of Edmonton as at December 31, 1989 and the combined statements of revenues and expenditures, equity, reserves for future expenditures and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these combined financial statements present fairly the financial position of The City of Edmonton as at December 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles set out in the Summary of Significant Accounting Policies applied, after giving retroactive effect to the change in accounting policy as described in Note 7, on a basis consistent with that of the preceding year.

Edmonton, Canada
March 30, 1990

Peat Marwick Thorne

Chartered Accountants

COMBINED FINANCIAL STATEMENTS

Combined Balance Sheet

(in thousands of dollars)

	December 31	
	1989	1988
	(Note 7)	
ASSETS		
Current Assets		
Short-term investments	\$	\$ 19,782
Investments held in the Reserves Fund (Note 1)	42,550	47,961
Taxes receivable	53,824	53,282
Accounts receivable	154,796	127,017
Current portion of local improvement costs recoverable from property owners	7,881	7,641
Inventory of materials and supplies	25,484	25,938
Prepaid expenses	2,272	2,810
	286,787	284,431
Long-term leases receivable	10,313	11,205
Local improvement costs recoverable from property owners	166,614	172,319
Deferred receivable on land sales	6,511	7,499
Deferred charges	21,073	16,321
Deferred foreign exchange costs	541	1,015
Land inventory - at cost	155,136	156,279
Land held for future municipal purposes - at cost	46,772	47,267
Sinking Fund investments - at cost	146,470	106,569
Other investments	216	238
Property, plant and equipment (Note 2)	3,325,676	3,085,643
	\$4,166,109	\$3,888,786

COMBINED FINANCIAL STATEMENTS

Combined Balance Sheet

(in thousands of dollars)

	December 31	
	1989	1988
		(Note 7)
LIABILITIES		
Current Liabilities		
Bank overdraft	\$ 12,611	\$ 15,222
Notes payable	43,989	685
Accounts payable and accrued expenses	209,620	187,714
Accrued interest on long-term debt	67,729	68,295
Principal due within one year on long-term debt	136,672	169,967
Deferred revenue	5,501	7,677
Deposits	13,096	15,503
Advances for construction	3,736	13,287
	492,954	478,350
Deferred revenue on land sales	3,826	3,826
Long-term debt (Note 3)	2,043,909	1,946,894
	2,540,689	2,429,070
EQUITY		
Contributed capital	747,252	695,896
Utilities	529,535	450,687
Land Development Enterprise	57,815	57,275
Equipment Pool	48,866	48,681
Land Fund	46,052	42,551
Sinking Fund	47,349	38,773
Reserves Fund	32,251	27,733
General Government (Note 4)	15,164	22,575
Self Insurance Fund	14,886	12,678
Construction Branch	1,635	505
	1,540,805	1,397,354
Reserves for future expenditures	84,615	62,362
	1,625,420	1,459,716
	\$4,166,109	\$3,888,786
Commitments and contingencies (Notes 5 and 6)		

COMBINED FINANCIAL STATEMENTS

Combined Statement of Revenues and Expenditures

(in thousands of dollars)

	For the Years Ended December 31	
	1989	1988
	(Note 7)	
REVENUES		
General Government (Schedule)	\$ 809,760	\$ 783,687
Utilities	717,582	687,153
Less: Franchise Tax to General Government	46,971	45,276
	670,591	641,877
Land Development Enterprise	19,076	23,173
Land Fund	17,037	11,555
Reserves Fund earnings	4,518	2,372
Excess Sinking Fund earnings	8,576	6,296
Edmonton Ambulance Authority	5,565	4,820
Edmonton Convention Centre Authority	5,173	4,693
Research and Development Park Authority	508	341
	60,453	53,250
NET INTER-FUND TRANSACTIONS		
Equipment Pool	1,489	1,199
Construction Branch	1,732	906
Self Insurance Fund	2,208	1,409
	5,429	3,514
TOTAL REVENUES	\$1,546,233	\$1,482,328

COMBINED FINANCIAL STATEMENTS

Combined Statement of Revenues and Expenditures — Continued

(in thousands of dollars)

	For the Years Ended December 31	
	1989	1988
	(Note 7)	
EXPENDITURES		
General Government (Schedule)	\$ 805,257	\$ 769,959
Utilities	591,536	587,801
Less: Franchise Tax to General Government	46,971	45,276
	544,565	542,525
Land Development Enterprise	8,155	9,117
Land Fund	21,290	18,599
Less: Interest funded by General Government	7,754	9,540
	13,536	9,059
Edmonton Ambulance Authority	8,538	7,163
Less: Transfer of deficit to General Government	2,973	2,343
	5,565	4,820
Edmonton Convention Centre operating expenditures	6,338	5,910
Less: Funding from General Government	1,165	1,217
	5,173	4,693
Research and Development Park Authority	2,757	2,343
Less: Funding from General Government	2,249	2,002
	508	341
TOTAL EXPENDITURES	1,382,759	1,340,514
EXCESS OF REVENUES OVER EXPENDITURES	\$ 163,474	\$ 141,814
EXCESS OF REVENUES OVER EXPENDITURES IS COMPOSED OF:		
General Government	\$ 4,503	\$ 13,728
Utilities	126,026	99,352
Land Development Enterprise	10,921	14,056
Land Fund	3,501	2,496
Reserves Fund	4,518	2,372
Excess Sinking Fund earnings	8,576	6,296
Equipment Pool	1,400	1,199
Construction Branch	1,732	906
Self Insurance Fund	2,200	1,409
	\$ 163,474	\$ 141,814

COMBINED FINANCIAL STATEMENTS

Combined Statement of Equity

For the Years Ended December 31,
1989 and 1988
(in thousands of dollars)

	Contributed Capital	Combined Utilities
Balance — January 1	\$695,896	\$471,975
As previously reported		(5,148)
Change in accounting policy (Note 7A)		(16,148)
Prior period adjustment (Note 7B)		
As restated	695,896	450,687
Add: Excess of revenue over expenditures	68,704	126,026
Customer and government contributions		
Deduct: Transfers to general revenue		
Transfers to finance capital projects		
Transfers to reserves for future expenditures	17,348	42,479
Amortization of contributions		4,699
Dividend payments to general government revenue		
Adjustments for vacation and income replacement liabilities		
Balance — December 31	\$747,252	\$529,535

Combined Statement of Reserves for Future Expenditures

For the Years Ended December 31,
1989 and 1988
(in thousands of dollars)

	Municipal Housing Incentive Grants	Redevel- opment Levy	District Facilities	Snow Removal	Equipment	Capital City Recreation Park
Balance — January 1	\$8,371	\$1,446	\$4,187	\$1,500	\$2,363	\$6,939
Source of Funds:						
Donations for specific purposes					115	2,199
Depreciation charged to operations					204	
Surplus on operations					47	
Sale of assets					25	
Transfer from surplus of previous year				1,000		
Transfer from other reserves					750	
Transfer from general revenues		118	529			885
Interest earned						
Total Source of Funds		118	529	1,000	1,141	3,084
Use of Funds:						
Capital expenditures			3,339		1,285	2,199
Donations for specific purposes applied						
Transfer to operations		1,564				
Transfer to other reserves						
Total Use of Funds		1,564	3,339		1,285	2,199
Balance — December 31	\$8,371	\$	\$1,377	\$2,500	\$2,219	\$7,824

Land Development Enterprise	Equipment Pool	Land Fund	Sinking Fund	Reserves Fund	General Government	Self Insurance Fund	Construction Branch	Total 1989	Total 1988
(Note 7)									
\$57,275	\$48,681	\$42,551	\$38,773	\$27,733	\$22,575	\$12,678	\$505	\$1,418,542 (5,148) (16,140)	\$1,304,349 (6,677) (8,726)
57,275	48,681	42,551	38,773	27,733	22,575	12,678	505	1,397,354	1,288,946
10,921	1,489	3,501	8,576	4,518	4,503	2,208	1,732	163,474 68,704	141,814 58,156
10,381					3,221 1,767 6,926			13,602 1,767 6,926 17,348 42,479 8,605	26,538 939 11,210 15,505 37,370
	1,304						602		
\$57,815	\$48,866	\$46,052	\$47,349	\$32,251	\$15,164	\$14,886	\$1,635	\$1,540,805	\$1,397,354

Parks and Recreation General	Post Closure	Convention Centre	Convention Centre Benefits	Convention Centre Hotel	AMPLE Grants	Other	Total General Government	Utilities	Reserves Fund of The City of Edmonton	Edmonton Convention Centre Authority	Total 1989	Total 1988
\$5,977	\$1,232	\$1,041	\$21,648	\$1,063	\$	\$1,410	\$57,177	\$1,000	\$4,185	\$	\$62,362	\$47,937
6,102	176		1,677		16,446	341	27,056 204		909	21	27,966 204	5,337 86
853						240	1,140		1,437		2,577	1,788
464							489				489	65
200			12,331				13,531				13,531	11,210
1,564							1,564				1,564	1,105
29						150	929				929	515
732		126	3,447	134		12	5,983		446		6,429	2,727
9,944	176	126	17,455	134	16,446	743	50,896		2,792	21	53,709	22,833
3,666					13,969	52	22,311		717		23,028	7,051
3,369		71				78	5,717		147		5,864	252
							1,564	1,000			1,000 1,564	1,105
7,035		71			13,969	130	29,592	1,000	864		31,456	8,408
\$8,886	\$1,400	\$1,096	\$38,103	\$1,197	\$ 2,477	\$2,023	\$78,481	\$	\$6,113	\$21	\$84,615	\$62,362

COMBINED FINANCIAL STATEMENTS

Combined Statement of Changes in Financial Position

(in thousands of dollars)

	For the Years Ended December 31	
	1989	1988
		(Note 7)
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$163,474	\$141,814
Add (deduct):		
Items not affecting working capital:		
Depreciation net of amortization of contributions	137,886	142,837
Capital expenditures levy	15,000	15,000
Amortization of foreign exchange loss and deferred charges	12,111	6,125
Net transfers from reserves and surplus	(31,532)	(49,222)
Net changes in non-cash working capital balances relating to operations	(9,986)	44,018
Cash provided by operations	286,953	300,572
INVESTING ACTIVITIES		
Capital expenditures including local improvements	(484,486)	(456,883)
Disposal of equipment	836	2,762
Purchase of land	(16,486)	(9,009)
Land costs	16,719	12,769
Surplus invested in Sinking Fund assets	(8,576)	(6,296)
Changes in investments held in the Reserves Fund	5,411	(6,194)
Changes in other investments	(22)	(219)
Cash applied to investing activities	(486,604)	(463,070)
FINANCING ACTIVITIES		
Debtenture borrowings and mortgages	207,102	264,000
Increase in capital leases (net)	892	202
Changes in accrued interest on long-term debt	(566)	3,684
Contributions for capital construction	41,741	31,443
Government grants	64,183	53,991
Repayment of debentures	(174,096)	(118,880)
Cash provided by financing activities	139,176	234,440
Increase (decrease) in cash position	(60,475)	71,942
Cash position at beginning of year	3,875	(68,067)
Cash position at end of year	\$(56,600)	\$ 3,875
Cash is comprised of:		
Short-term investments	\$	\$ 19,782
Bank overdraft	(12,611)	(15,222)
Notes payable	(43,989)	(685)
	\$(56,600)	\$ 3,875

COMBINED FINANCIAL STATEMENTS

Summary of

Significant

Accounting Policies

December 31, 1989
(in thousands of dollars)

A. FINANCIAL STATEMENT PRESENTATION

The Combined Financial Statements include the assets and liabilities, revenues and expenditures, reserves and equity of those City funds and governmental functions or entities which have been determined to comprise a part of the aggregate City operations. This combination has been based on the responsibility and control exercised by the City over these entities. General Government operations, Edmonton Utilities, Land Development Enterprise, Land Fund, Equipment Pool, Construction Branch, Self Insurance Fund, The Reserves Fund of The City of Edmonton, The Sinking Fund of The City of Edmonton, The Edmonton Ambulance Authority, The Edmonton Convention Centre Authority, and The Edmonton Research and Development Park Authority are included in this combination.

Edmonton Convention and Tourism Authority and the Edmonton Economic Development Authority were created by Acts of the Provincial Legislature and are included in the Combined Financial Statements to the extent of the provision of funds for their operations as approved by City Council.

Edmonton Public Library Board, Edmonton Local Board of Health and Royal Alexandra Hospitals are administered by separate boards. The City of Edmonton owns certain of their fixed assets and as such, these assets are included in the Combined Financial Statements to the extent that related debenture borrowings are outstanding.

School administration is completely independent from City Council and subject to control by the Provincial Government pursuant to the provisions of the School Act. The only relationship between the School Boards and The City of Edmonton is that the City is obligated to provide funds raised by taxes deemed necessary by these two Boards. Thus, The Edmonton School District No. 7 and Edmonton R.C. Separate School District No. 7 are not included in the Combined Financial Statements.

Edmonton Northlands is a not for profit company incorporated under the Laws of Alberta. The assets and operations of Edmonton Northlands are not included in the Combined Financial Statements.

The City of Edmonton Non-Profit Housing Corporation was incorporated as a limited company under the Companies Act of Alberta. The corporation is not included in the Combined Financial Statements and accordingly \$48,159 of mortgages which are secured by \$46,417 of assets of the corporation are not reflected in the Combined Balance Sheet.

The Pension Fund of The City of Edmonton is comprised of the assets and liabilities under the control of the Trustees of the fund. The accounts of the Pension Fund are not included in the Combined Financial Statements.

B. GENERAL ACCOUNTING PRINCIPLES AND PRACTICES

The City of Edmonton organizes its accounting system to segregate accounts and related transactions by function as follows:

- i) General Government operations include the acquisition and financing of capital facilities and other assets, the various sources of revenues and expenditures, and the payment of interest and principal on long-term debt.
- ii) In addition to the regular municipal operations, the City organizes and operates as accounting entities, the following Edmonton Utilities:

Edmonton Power
'edmonton telephones'
Edmonton Water

Edmonton Sanitary Sewage System
Edmonton Municipal Airport

The administration endeavours to ensure that the users pay the full cost of the utility facilities and services, including an adequate return on capital invested. In accordance with the City's fiscal policy, each Utility pays an annual maximum revenue tax of 8% based on annual qualifying revenues and a 9% dividend based on opening equity. These are included in General Government revenues.

COMBINED FINANCIAL STATEMENTS

Summary of Significant Accounting Policies — Continued

December 31, 1989
(in thousands of dollars)

- iii) The Land Development Enterprise, owned and operated by the City, is considered a municipal enterprise for accounting purposes. A self-liquidating financing concept is utilized, with the proceeds from the sale of land being sufficient to offset land acquisition and servicing costs and to provide surplus funds which are dedicated to the City Council approved Debt Management Policy.
- iv) The Land Fund includes land held for future municipal purposes and land inventory held for resale. Land inventory held for resale is comprised of all surplus land not required for municipal or utility purposes. Gains or losses resulting from the sale or transfer of City owned land, except reserve and utility land, are recorded in the Land Fund surplus.
- v) The Equipment Pool includes the vehicle and equipment operations for The City of Edmonton. Revenues are derived from charges made to user departments. The excess of revenues over expenditures, which is recorded as net inter-fund transactions on the combined statement of revenues and expenditures, is retained for the replacement of vehicles and other fixed assets.
- vi) The Construction Branch provides storm sewer, sanitary sewer and water line construction services to City departments. Revenues consist of charges for construction work performed. The excess of revenues over expenditures is recorded in the Construction Branch equity.
- vii) The Self Insurance Fund encompasses the City's insurance program. Revenues are comprised of premiums charged to all City departments for the insurance of assets, and against any potential insurable losses or liabilities which may be incurred. Surplus funds, which are recorded as net inter-fund transactions on the combined statement of revenues and expenditures, are maintained in the Reserves Fund.
- viii) The City also maintains special funds to account for the proceeds of specific revenue sources or to finance specified activities. The Sinking Fund maintains funds required to meet the City's debt redemption requirements of future years. Sinking Fund investment earnings in excess of those required to meet future debt requirements are maintained within the fund as unappropriated surplus. The Reserves Fund is comprised of funds established to finance various specified activities. Reserves Fund net earnings are distributed to reserve deposits and Reserves Fund equity (The City of Edmonton equity) based on their proportionate share of the assets. Bonds and debentures held in the Reserves Fund are valued at the lower of cost and market.
- ix) The following activities of the City are carried out through authorities created by Acts of the Provincial Legislature:
 - The Edmonton Research and Development Park Authority for the purpose of operating research and development parks in the City;
 - The Edmonton Ambulance Authority for the purpose of developing, maintaining, managing and operating an ambulance service in the City;
 - The Edmonton Convention Centre Authority for the purpose of developing, maintaining, managing and operating a Trade and Convention Centre in the City;
 - The Edmonton Economic Development Authority for the purpose of promoting and developing the economic growth of the City in a manner consistent with general economic development policies for the City as approved by Council, and
 - The Edmonton Convention and Tourism Authority for the purpose of promoting and developing the convention and tourism industry in the City in a manner consistent with a general convention and tourism policy for the City as approved by Council.

C. PROPERTY, PLANT AND EQUIPMENT

- i) General Municipal
 - a) Fixed assets employed in Storm Sewer, Solid Waste and Transit operations are recorded at gross cost, including any portion financed by developer contributions or government grants. The assets or portions thereof which are debenture financed are depreciated at an amount equal to the principal repayments of this debt. Portions financed by grants and contributions are depreciated over the estimated useful lives of the assets.

COMBINED FINANCIAL STATEMENTS

**Summary of
Significant
Accounting Policies**
— Continued

December 31, 1989
(in thousands of dollars)

b) Fixed assets in other General Government operations are recorded at an amount equal to required debenture borrowings. Government grants, developer contributions and costs financed through general operations are applied to reduce the recorded fixed asset costs. These assets are depreciated at amounts equal to debenture principal repayments.

ii) **Municipal Enterprises**

The Equipment Pool and Construction Branch fixed assets are recorded at gross cost, regardless of financing sources. These assets are depreciated over their estimated useful lives.

iii) **Utilities**

Fixed assets included in Utilities are recorded at gross cost, regardless of financing sources. Interest on funds used during construction is capitalized at short-term borrowing rates. Edmonton Power fixed assets are depreciated using methods and rates which are in accordance with Public Utility Board regulations and rulings. In the other Utilities, depreciation is recorded on the gross cost of plant and equipment in service based upon the estimated useful life of the assets.

D. DEFERRED CHARGES

Deferred charges include \$10,876 of capital financing costs which are charged to operations within three years. The remaining amounts are \$10,197 of debt discount and expense, deferred foreign exchange losses and deferred development costs.

E. LOCAL IMPROVEMENT COSTS RECOVERABLE FROM PROPERTY OWNERS

These receivables originate with local improvements authorized by property owners and undertaken by the City. The construction costs and borrowing costs are recovered through annual special property assessments during the period of the related borrowings.

F. INVENTORY OF MATERIALS AND SUPPLIES

Inventory of materials and supplies is recorded at average cost.

G. INTEREST CHARGES ON LONG-TERM DEBT

The City records accrued interest on all outstanding long-term debt.

H. DEFERRED REVENUE

Deferred revenue is mainly composed of advance payments on lease rentals of telephone equipment and one month advance billings charged by 'edmonton telephones' for telephone rentals to residential customers.

I. DEFERRED REVENUE ON LAND SALES

Deferred revenue on land sales is composed of a land sales agreement which is due in 1996.

J. VACATION AND SICK BENEFIT PLANS

Vacation and sick benefit costs are recorded on a cash basis (see Note 5C).

K. RESERVES FOR FUTURE EXPENDITURES

Certain amounts are set aside in reserves for future operating and capital purposes.

L. LAND FUND

In accordance with the direction of City Council, profits from general municipal land transactions are maintained in a surplus account for the purpose of funding land inventory.

M. FOREIGN EXCHANGE ON LONG-TERM DEBT

All outstanding debt denominated in foreign currencies is translated at year end exchange rates. Gains or losses incurred on foreign exchange translation are deferred and amortized over the remaining life of the related long-term debt.

N. CONTRIBUTED CAPITAL

Contributions received from other governments and utility customers in aid of construction are recorded as contributed capital for Utilities, Storm Sewers, Solid Waste and Edmonton Transit.

The contributed capital on depreciable assets is amortized to income over the remaining life of the assets.

COMBINED FINANCIAL STATEMENTS

Notes to Financial Statements

December 31, 1989
(in thousands of dollars)

Note 1. Investments Held in the Reserves Fund

Investments held in the Reserves Fund of \$23,658, are designated to fund Reserves for Future Expenditures and the Self Insurance Fund. The remaining balance is not designated for specific purposes.

Note 2. Property, Plant and Equipment

	1989		1988	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
				(Note 7)
General municipal	\$ 685,583	\$ 187,959	\$ 497,624	\$ 492,911
Storm and solid wastes system	463,539	122,821	340,718	320,090
Construction Branch	8,458	6,884	1,574	1,442
Edmonton Public Library	5,527	4,187	1,340	1,850
Royal Alexandra Hospital	4,980	680	4,300	4,431
Edmonton Local Board of Health	450	262	188	212
Equipment Pool	93,661	46,755	46,906	47,076
Convention Centre	23,462	2,776	20,686	21,731
Research and Development Park	8,872	1,621	7,251	7,558
Utilities	3,071,860	666,771	2,405,089	2,188,158
Ambulance				184
	\$4,366,392	\$1,040,716	\$3,325,676	\$3,085,643

Note 3. Long-Term Debt

A. Debt payable at December 31 includes the following amounts:

	1989	1988
Debentures	\$2,147,260	\$2,080,674
Mortgages	23,012	23,387
Leases	3,956	5,568
Loan payable for Research and Development Park	4,147	4,267
Provision for foreign exchange	2,206	2,965
	2,180,581	2,116,861
Less principal included in current liabilities	136,672	169,967
	\$2,043,909	\$1,946,894

COMBINED FINANCIAL STATEMENTS

Notes to Financial

Statements —

Continued

December 31, 1989
(in thousands of dollars)

Principal payments and required earnings in the Sinking Fund on long-term debt for the next five years are as follows:

	1990	1991	1992	1993	1994
General Government	\$ 46,061	\$ 35,263	\$ 28,029	\$ 21,791	\$ 21,568
Utilities	85,525	89,031	88,765	89,384	89,087
Land	4,835	774	871	980	1,102
Equipment Pool	140	156	175	196	220
Research Park	111	125	140	158	178
	136,672	125,349	117,980	112,509	112,155
Required Earnings in the Sinking Fund	5,919	7,487	9,129	8,430	9,507
	\$142,591	\$132,836	\$127,109	\$120,939	\$121,662

B. Interest on long-term debt charged to operations:

	1989	1988
		(Note 7)
General Government	\$ 50,481	\$ 55,689
Utilities	66,997	75,360
Land	3,621	3,687
Equipment Pool	982	1,039
Research Park	1,185	1,396
	\$123,276	\$137,171

C. Existing long-term debt matures in annual amounts to the year 2025 and debenture interest is payable, before provincial subsidy, at rates ranging from 4.5% to 17.1% per annum. The average annual interest rate is 10.91% for 1989 and 11.01% for 1988, before rebate. For qualifying debt issues, other than those issued for the power and telephone systems, the Province of Alberta rebates interest in excess of 8%, 9% and 11%, depending on the date borrowed.

Note 4. General Government Surplus

	1989	1988
Appropriated	\$ 4,870	\$ 1,258
Unappropriated	10,294	21,317
	\$15,164	\$22,575

COMBINED FINANCIAL STATEMENTS

Notes to Financial

Statements —

Continued

December 31, 1989
(in thousands of dollars)

Note 5. **Commitments**

A. Capital Requirements

City Council has approved a 1990-1994 capital priorities plan of \$874,677 which is to be spent over the next five years. The 1990 requirement of \$504,324 is to be funded as follows:

Reserves, Grants and Developer Contributions	\$226,071
Self-liquidating debentures	236,982
Capital Expenditure Levy	16,271
Tax supported debentures	25,000
	\$504,324

Capital expenditures related to Genesee Power Project represent \$273,207 of the 1990-1994 capital priorities plan. The City will require funds of \$163,568 for 1990 and \$109,639 for 1991.

B. Pension Plans

All employees of The City of Edmonton, with the exception of Policemen, are members of the Local Authorities Pension Plan of the Province of Alberta. Policemen are members of the Special Forces Pension Plan of the Province of Alberta. In both Plans, the City is only responsible for deducting and remitting monthly contributions.

The City is responsible for the pension requirements of those members who were retired at the time the City's Pension Plan was transferred to the Province of Alberta. Also, a Supplementary Pension Plan exists for Firemen to which the City is required to make contributions. Based upon the most recent actuarial report as of December 31, 1986 the City's unfunded liability for the above funds amounts to approximately \$9,500. This amount is being funded through annual special payments of \$1,100, which total \$3,300 to date.

C. Vacation and Sick Pay Benefit Plans

As at December 31, 1989 the City has a liability of \$61,500 for vacation pay and sick pay benefit plans, of which \$46,800 has been recorded in the accounts. The remaining amount will be provided from future years' surpluses.

Note 6. **Contingencies**

The City is defendant in various lawsuits as of December 31, 1989. While it is impossible to estimate the ultimate liability with respect to the pending litigation, the City Solicitor believes there will be no material adverse effect on the financial position of the City. Any gains or losses arising from settlements will be accounted for in the year of settlement.

COMBINED FINANCIAL STATEMENTS

Notes to Financial

Statements —

Continued

December 31, 1989
(in thousands of dollars)

Note 7: Restatement of 1988 Amounts

A. Change in Accounting Policy

Edmonton Power changed their practice of netting income tax rebate cost against revenues. The cost is now recorded as an expense on the statement of revenues and expenditures and a liability on the balance sheet. As a result, 1988 opening equity has been reduced by \$6,677, 1988 Utilities revenues have been increased by \$45,468, 1988 expenditures have increased by \$43,939, and 1988 accounts payable has been increased by \$5,148.

B. Prior Period Adjustment

In response to a Public Utility Board ruling, Edmonton Power changed the rate at which allowance for funds used during construction was being charged to capital projects. As a result, 1988 opening equity has been decreased by \$8,726, expenditures have been increased by \$7,414 and property, plant and equipment has been decreased by \$16,140.

Note 8: Reclassification

Certain 1988 figures have been reclassified to conform to the financial statement presentation adopted for 1989.

COMBINED FINANCIAL STATEMENTS

Schedule of General Government Revenues and Expenditures

(in thousands of dollars)

	For the Years Ended December 31	
	1989	1988
REVENUES		
Taxation:		
General municipal taxes	\$219,671	\$206,843
Business taxes	54,348	55,713
Local improvement taxes	28,025	28,495
Other	3,680	2,646
	305,784	293,697
Government Grants:		
Municipal assistance	16,778	16,312
Police	10,539	10,015
Community & Family Services	10,753	9,939
Provincial government in lieu of taxes	16,956	16,933
Federal government in lieu of taxes	2,625	2,567
Interest stabilization rebate	6,370	6,713
Transit operating grant	6,212	6,212
Subsidized housing	1,739	1,610
Cultural and recreational	4,774	4,669
Engineering highway maintenance	2,645	4,415
Other	217	258
	79,688	79,643
Utility Contributions — franchise tax	46,971	45,276
Franchises and Rents:		
Franchise tax	16,199	13,838
Rental of City properties	4,363	3,881
Subsidy housing rentals	279	280
	20,841	17,999
Bus and Light Rail Transit	36,999	35,370

COMBINED FINANCIAL STATEMENTS

Schedule of General Government Revenues and Expenditures — Continued

(in thousands of dollars)

	For the Years Ended December 31	
	1989	1988
Service Fees and Other:		
Parks and Recreation	14,481	13,383
Real Estate and Housing	158	182
Planning	1,843	1,194
Police	985	803
Engineering	1,489	1,516
Sanitation	4,219	3,031
Other	4,754	1,024
	27,559	21,133
Licenses, Permits and Parking:		
Parking operations	5,393	4,561
Licenses and permits	8,395	7,251
	13,788	11,812
Fines	10,733	11,571
Interest:		
Interest net of Land Fund transfers	4,000	4,000
Tax penalties net of discounts	5,912	8,660
	9,912	12,660
Total Municipal Revenues before transfers	552,215	529,161
Transfers:		
Transfer from Land Development Enterprise	10,381	24,186
Transfer from Utilities - dividends	42,479	37,370
Surplus from previous year	3,221	2,352
	56,081	63,908
Total Municipal Revenues	608,296	593,069
Education:		
Taxation	188,883	178,934
Government grants in lieu of taxes	12,771	11,684
	201,654	190,618
TOTAL REVENUES	\$809,950	\$783,687

COMBINED FINANCIAL STATEMENTS

Schedule of General Government Revenues and Expenditures — Continued

(in thousands of dollars)

	For the Years Ended December 31	
	1989	1988
EXPENDITURES		
Debt Charges:		
General debt	\$ 74,484	\$ 83,036
Local improvement debt	27,324	27,059
	101,788	110,095
Protective Services:		
Police	83,854	78,999
Fire	57,111	55,321
Bylaw enforcement	7,751	7,268
	148,716	141,588
Parks and Recreation	59,673	53,961
Community & Family Services	23,021	20,272
Garbage Collection and Storm Sewer	19,881	17,051
Roadway Services:		
Roadway maintenance	22,053	20,997
Snow and ice removal	13,681	8,310
Street lighting	6,539	6,137
Traffic lights and signs	4,260	3,864
Off street parking	7,199	6,276
Street cleaning	3,712	3,431
Transportation system design	3,576	3,642
Other	3,900	3,086
	64,920	55,743
General Municipal Government:		
Corporate management	40,492	40,355
City property management and maintenance	5,742	4,142
	46,234	44,497
City Council and Mayor's Office	2,200	1,941
Bus and Light Rail Transit	83,002	82,817
Provision for uncollectible taxes	5,921	7,995
Tax appeals and adjustments	6,479	3,649
Tax concession	3,182	3,071
Capital expenditures	15,000	15,000
Edmonton Public Library Board	11,508	11,075
Edmonton Ambulance Authority	2,973	2,343
Edmonton Convention Centre Authority	1,900	1,631
Edmonton Convention and Tourism Authority	1,852	1,576
Edmonton Economic Development Authority	1,754	1,637
Edmonton Research and Development Park Authority	2,249	2,002
Other Boards and Authorities	611	882
Total Municipal Expenditures before transfers	602,864	578,826
Transfers: Reserves for Future Expenditures	929	515
Total Municipal Expenditures	603,793	579,341

COMBINED FINANCIAL STATEMENTS

Schedule of General Government Revenues and Expenditures — Continued

(in thousands of dollars)

	For the Years Ended December 31	
	1989	1988
Education:		
Provincial School Foundation Act	31,141	29,858
Public School District No. 7	125,230	119,184
R.C. Separate School District No. 7	45,003	41,576
	201,374	190,618
TOTAL EXPENDITURES	805,257	769,959
TOTAL REVENUES	800,778	783,687
Excess of revenues over expenditures	\$ 4,503	\$ 13,728

Auditors' Report on Other Financial Information

December 31, 1989

To Her Worship the Mayor and Members of Council of
The City of Edmonton

The audited financial statements of the City and our report thereon are presented in the preceding section of this report. The following information is presented for purposes of additional analysis and is not required for a fair presentation of the financial position, results of operations, or changes in financial position of the City. Such information has been subjected to the auditing procedures applied in our examination of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Edmonton, Canada
March 30, 1990

Peat Marwick Thorne

Chartered Accountants

COMBINED FINANCIAL STATEMENTS

Analysis of Combined Balance Sheet

December 31, 1989
(in thousands of dollars)

	General Government	Combined Utilities	Land Development Enterprise	Land Fund	Equipment Fund
ASSETS					
Current Assets					
Short-term investments — at cost	\$	\$	\$	\$	\$
Investments held in the Reserves Fund	18,882				
Taxes receivable	53,824				
Accounts receivable	25,234	122,155	5,182		9
Current portion of local improvement costs recoverable from property owners	7,881				
Inventory of materials and supplies	7,427	17,832			245
Prepaid expenses	1,362	438			
Inter-operation balance	124,867	(68,157)	39,342	(103,763)	9,960
	238,487	76,468	44,524	(103,763)	10,213
Long-term leases receivable	57	10,256			
Local improvement costs recoverable from property owners	106,614				
Deferred receivable on land sales	6,511				
Deferred charges	14,010	6,708			
Deferred foreign exchange costs	34	507			
Land inventory — at cost			15,319	139,817	
Land held for future municipal purposes — at cost				46,772	
Sinking Fund investments — at cost	3,483	95,619			
Other investments	19	197			
Property, plant and equipment	884,044	2,405,009			48,966
	\$1,294,250	\$2,588,844	\$50,843	\$82,826	\$57,119

Construction Branch	Self Insurance Fund	Reserves Fund of The City of Edmonton	Sinking Fund of The City of Edmonton	Edmonton Ambulance Authority	Edmonton Convention Centre Authority	Research and Development Park Authority	Combined Balance Sheet	
							1989	1988
(Note 7)								
\$	\$	\$	\$	\$	\$	\$	\$	\$
	17,545	5,113					42,580	19,782
							53,824	47,961
31	287	2		786	862	248	154,796	53,282
								127,017
							7,881	7,641
582				47	131		25,484	25,938
	376			26	70		2,272	2,810
130				(854)	(783)	239		
743	18,208	5,115		5	300	487	286,787	284,431
							10,313	11,205
							108,614	172,319
							6,511	7,499
					355		21,873	16,321
							541	1,015
							155,136	156,279
							48,772	47,267
			47,368				146,478	106,569
							216	238
1,574				718	94	7,251	3,325,676	3,085,643
\$2,317	\$18,208	\$8,115	\$47,368	\$723	\$749	\$7,738	\$4,168,189	\$3,888,786

COMBINED FINANCIAL STATEMENTS

Analysis of Combined Balance Sheet

December 31, 1989
(in thousands of dollars)

	General Government	Combined Utilities	Land Development Enterprise	Land Fund	Equipment Pool
LIABILITIES					
Current Liabilities					
Bank overdraft	\$ 12,846	\$	\$	\$	\$
Notes payable	43,989				
Accounts payable and accrued expenses	138,835	70,856	2,028		182
Accrued interest on long-term debt	18,887	50,813		465	284
Principal due within one year on long-term debt	48,829	85,525		4,835	140
Deferred revenue	893	4,608			
Deposits	1,181	11,946			
Advances for construction	2,280	1,476			
	254,940	224,424	2,028	5,300	606
Deferred revenue on land sales	3,826				
Long-term debt	387,229	1,611,928		31,474	7,647
EQUITY					
Contributed capital	522,368	222,957			
Utilities		529,535			
Land Development Enterprise			57,815		
Equipment Pool					48,886
Land Fund				46,052	
Sinking Fund					
Reserves Fund	32,251				
General Government	15,164				
Self Insurance Fund					
Construction Branch					
	569,783	752,492	57,815	46,052	48,886
Reserves for future expenditures	78,481				
	648,264	752,492	57,815	46,052	48,886
	\$1,294,259	\$2,588,844	\$58,843	\$82,826	\$57,119

Construction Branch	Self Insurance Fund	Reserves Fund of The City of Edmonton	Sinking Fund of The City of Edmonton	Edmonton Ambulance Authority	Edmonton Convention Centre Authority	Research and Development Park Authority	Combined Balance Sheet	
							1989	1988
(Note 7)								
\$	\$	\$	\$	\$ 6	\$(241)	\$	\$ 12,611	\$ 15,222
682	3,322	2	19	698	829	75	43,989	685
						80	209,629	187,714
					32	111	67,729	68,295
							136,672	169,967
					49		5,581	7,677
							13,896	15,503
							3,736	13,287
682	3,322	2	19	698	660	266	482,954	478,350
							3,826	3,826
					59	5,572	2,043,909	1,946,894
				27		1,900	747,252	695,896
							529,535	450,687
							57,815	57,275
							48,868	48,681
							48,852	42,551
			47,349				47,349	38,773
							32,291	27,733
							15,164	22,575
1,635	14,886						14,886	12,678
							1,635	505
1,635	14,886		47,349	27		1,900	1,546,885	1,397,354
		6,113			21		84,615	62,362
1,635	14,886	6,113	47,349	27	21	1,900	1,625,428	1,459,716
\$2,317	\$18,298	\$6,115	\$47,368	\$723	\$749	\$7,738	\$4,166,189	\$3,888,786



THE CITY OF EDMONTON
Combined Utilities Financial Statements

The later the coal
... being tested
in the Cansco area 80
kilometers southwest
the city. Edmonton Power
began working toward the
dps when the facility
would generate electricity.
It was during the decade
of the '80s the plan was
realized.



1980 1980 was a landmark year for the Genesee Power Project: approval to construct and operate the



Genesee Generating Station was given, and commissioning dates for the first two 400 megawatt units were set at September 1987 and September 1988.

Another critical approval allowed the purchase of 23 square miles of property to establish a plant site, mines area and a 600 hectare cooling pond.

The road to Genesee was open! 1981 The



Genesee Power Project Advisory Committee was formed and included repre-

sentatives from the Genesee community, the County of Leduc, Edmonton Power, Fording Coal and other provincial agencies. The committee would advise Genesee

project managers of elements affecting area residents. 1982 In February, a symbolic ground break-



ing ceremony to mark the start of the project was held and preliminary construction began. 1982 marked the beginning of the recession in Alberta,

with Genesee becoming one of the few megaprojects of the time. 1985 In

response to the changing forecasts of electrical





growth in Alberta during the recession, commissioning dates for the first two generating units fluctuated. In 1985, however, a firm commissioning date of October 1989 was set for the first unit. Comple-



tion of the second unit is expected in the 1990s.

1986-1987 During the fall of 1986, 250 people began working on the coal-

handling facilities at the site. Early in 1987, concrete construction, mechanical and electrical work and switchyard installations got underway. **1988** Two of the most significant components began in 1988: the assembly of the turbine-generator, and construction of the transmission lines connecting the station to the Alberta Interconnected System. Stripping of overburden, exposing the coal seams for extraction, was also a major activity. Stockpiling 100,000 tonnes of coal at the power plant to fuel



the generator was begun. The workforce peaked at 800. **1989** October 10, 1989: the official opening of the Genesee Generating Station. The first unit began transmitting electricity, having joined the Alberta Interconnected System on October 1, 1989.



UTILITIES

City-owned Utilities

The City owns and operates all major public utility services, with the exception of natural gas. The utilities are Edmonton Power, 'edmonton telephones', Edmonton Water, Edmonton Municipal Airport and Edmonton Sanitary Sewage System.

Utility Fiscal Policy

The administration endeavours to ensure that the users pay the full cost of the utility facilities and services, including an adequate return on capital invested. A fiscal policy has been adopted by City Council to establish utility objectives in the areas of rates setting, municipal taxation and contribution of earnings to the City.

The policy for the five utilities establishes a rate of return on opening equity equal to 15%. Of this rate of return, 60% is required as a contribution of profits to the general revenues of the City. The remaining 40% is retained within the utilities. In addition, the City charges a maximum 8% franchise tax on utility revenues in lieu of property and business taxes and other costs associated with the exclusive rights afforded each utility. This tax is included in the City's general revenues.

COMBINED UTILITIES FINANCIAL STATEMENTS

Balance Sheet

December 31, 1989 and 1988
(in thousands of dollars)

	Edmonton Municipal Airport		Edmonton Power	
	1989	1988	1989	1988
				(restated)
ASSETS				
Current assets:				
Due from The City of Edmonton	\$ 8,868	\$ 7,219	\$	\$
Accounts receivable less doubtful accounts	1,333	881	41,035	37,259
Inventory of material and supplies — at average cost			6,727	5,886
Prepaid expenses			185	358
	10,201	8,100	47,947	43,503
Long-term leases receivable				
Deferred charges:				
Foreign exchange loss			301	455
Debt discount and expense less amortization			4,399	4,922
Other			95	
			4,795	5,377
Property accounts:				
Land, buildings and equipment	23,782	23,632	504,167	572,221
Less accumulated depreciation	9,988	8,158	228,674	224,163
	14,894	15,474	355,493	348,058
Construction in progress	971	236	1,069,275	886,574
	15,865	15,710	1,424,768	1,234,632
Investments:				
The City of Edmonton Sinking Fund			82,967	54,322
Other				
			82,967	54,322
	\$25,866	\$23,810	\$1,508,477	\$1,337,834
LIABILITIES				
Current liabilities:				
Due to The City of Edmonton	\$	\$	\$ 70,876	\$ 10,878
Accounts payable and accruals	61	83	27,899	29,685
Accrued interest on long-term debt	122	125	29,410	27,721
Unearned revenues				
City customer guarantee deposits	104	80	6,216	5,323
Current portion of long-term debt	117	106	55,833	96,369
	404	394	188,734	169,976
Reserve for future expenditures				1,000
Customer advances				
Long-term debt:				
Debentures payable	3,161	3,278	1,004,301	864,183
Loan payable				
Provision for foreign exchange			381	577
	3,161	3,278	1,004,682	864,760
EQUITY				
The City of Edmonton	22,301	20,138	327,283	265,200
Contributions and grants for extensions to plant			38,798	36,898
	22,301	20,138	366,081	302,098
	\$25,866	\$23,810	\$1,508,477	\$1,337,834

"Edmonton Telephones"		Edmonton Sanitary Sewage System		Edmonton Water		Combined Utilities	
1989	1988	1989	1988	1989	1988	1989	1988
(restated)							
\$	\$	\$	\$	\$	\$	\$	\$
65,167	51,943	4,829	4,390	1,571	1,021	18,439	8,240
8,874	9,791	254	89	8,791	8,780	122,155	103,253
171	260			1,177	1,104	17,832	16,870
				82	32	438	650
74,212	61,994	5,083	4,479	126,621	10,937	158,864	129,013
10,256	11,153					10,256	11,153
206	310					587	765
188	132				31	4,489	5,085
207	68	228	319	1,679	2,601	2,299	2,988
513	510	228	319	1,679	2,632	7,215	8,838
686,576	589,927	263,673	244,773	588,811	467,195	1,979,809	1,897,748
274,207	242,585	56,854	52,913	98,241	89,648	686,864	617,467
332,369	347,342	287,819	191,860	402,570	377,547	1,312,145	1,280,281
12,859	9,154	8,534	1,667	6,109	13,372	1,096,948	911,003
344,428	356,496	215,553	193,527	488,679	390,919	2,488,883	2,191,284
10,531	8,555	981	858	1,130	957	95,619	64,692
197	219					197	219
10,728	8,774	991	858	1,130	957	95,816	64,911
\$440,137	\$438,927	\$221,855	\$199,183	\$424,188	\$405,445	\$2,672,444	\$2,405,199
\$ 3,311	\$ 21,670	\$ 6,289	\$ 4,438	\$	\$	\$ 78,586	\$ 36,986
38,380	18,774	2,975	2,153	1,541	2,327	78,856	53,022
9,106	9,177	3,767	3,512	7,888	7,691	58,813	48,226
4,888	4,693					4,888	4,693
3,350	7,538	724	603	1,452	1,172	11,946	14,716
16,583	16,126	5,365	4,205	8,417	7,187	85,925	123,993
75,348	77,978	19,840	14,911	19,818	18,377	382,544	281,636
							1,000
		52	52	1,424	1,354	1,476	1,406
238,596	243,170	117,823	109,759	244,677	243,970	1,887,758	1,464,360
254	385	2,167		1,388		3,535	
						835	962
238,850	243,555	119,180	109,759	246,065	243,970	1,811,828	1,465,322
128,282	112,066	8,211	7,319	88,488	45,964	528,325	450,687
5,847	5,328	74,382	67,142	187,154	95,780	226,861	205,148
125,938	117,394	83,573	74,461	157,832	141,744	758,486	655,835
\$440,137	\$438,927	\$221,855	\$199,183	\$424,188	\$405,445	\$2,672,444	\$2,405,199

COMBINED UTILITIES FINANCIAL STATEMENTS

Statement of Income

for the Years Ended December 31,
1989 and 1988
(in thousands of dollars)

	Edmonton Municipal Airport		Edmonton Power	
	1989	1988	1989	1988
Revenue	\$18,483	\$9,414	\$348,253	(restated) \$333,900
Expenditures:				
Maintenance	3,152	2,890	16,652	14,995
Operating	2,251	2,092	117,246	112,663
Franchise Tax	839	753	23,610	22,512
Depreciation	940	887	18,868	15,060
Alberta Electrical Marketing Agency Transfer Payments			88,237	99,894
	7,182	6,622	255,813	265,124
Net income (loss) before interest charge	3,301	2,792	93,440	68,776
Debt interest	384	402	102,540	93,187
Interest capitalized			(102,161)	(82,818)
Provincial Government Rebate	(94)	(98)		
Other interest	(1,010)	(662)	4,576	(907)
Amortization of debt discount and foreign exchange loss			861	1,001
	(720)	(358)	5,816	10,463
Net income (loss) before other items	4,021	3,150	87,624	58,313
Amortization of contributions			1,731	1,569
NET INCOME (LOSS)	\$ 4,021	\$ 3,150	\$ 89,355	\$ 59,882

"Edmonton telephones"		Edmonton Sanitary Sewage System		Edmonton Water		Combined Utilities	
1988	1988	1988	1988	1988	1988	1988	1988
\$243,829	\$233,592	\$34,258	\$33,076	\$79,839	\$77,171	\$717,562	(restated) \$687,153
37,817	34,440	5,515	4,462	10,633	10,291	72,988	67,078
92,327	83,597	18,582	10,875	24,486	22,875	246,792	232,102
14,334	14,096	2,711	2,608	5,477	5,307	48,971	45,276
52,921	48,356	3,742	3,509	9,853	8,300	84,724	76,112
						88,237	99,894
196,599	180,489	22,530	21,454	48,569	46,773	531,883	520,462
47,830	53,103	11,728	11,622	38,370	30,398	185,868	166,691
27,111	28,135	11,675	11,051	28,286	26,406	188,916	159,181
(2)	(26)	(250)	(70)	(506)	(907)	(102,919)	(83,821)
(721)	1,597	(1,556)	(1,644)	(3,700)	(3,676)	(5,358)	(5,418)
		151	191	(1,222)	164	1,774	383
136	1339			43	9	1,040	1,149
26,524	29,845	10,020	9,528	22,813	21,996	64,453	71,474
20,506	23,258	1,708	2,094	7,557	8,402	121,416	95,217
265	227	1,185	990	1,588	1,349	4,610	4,135
\$ 28,771	\$ 23,485	\$ 2,813	\$ 3,084	\$ 9,866	\$ 9,751	\$128,026	\$ 99,352

COMBINED UTILITIES FINANCIAL STATEMENTS

Statement of The City of Edmonton Equity For the Years Ended

for the Years Ended December 31,
1989 and 1988
(in thousands of dollars)

	Edmonton Municipal Airport		Edmonton Power	
	1989	1988	1989	1988
Balance — January 1				(restated)
As previously stated	\$20,138	\$18,668	\$208,488	\$243,461
Change in accounting policy			(5,148)	(6,677)
Prior period adjustment			(16,140)	(8,726)
As restated	20,138	18,668	265,200	228,058
Add — Net income (loss) for year	4,821	3,150	89,355	59,882
Less — Dividend payments to The City of Edmonton	1,813	1,680	25,784	22,740
— Adjustment for vacation pay and income replacement	45		1,508	
	1,858	1,680	27,292	22,740
Balance — December 31	\$22,301	\$20,138	\$327,263	\$265,200

Statement of Contributions and Grants for Extensions to Plant

for the Years Ended December 31,
1989 and 1988
(in thousands of dollars)

	Edmonton Municipal Airport		Edmonton Power	
	1989	1988	1989	1988
Balance — January 1	\$	\$	\$36,898	\$32,411
Add — Government Grants			569	443
Customer contributions			4,062	4,613
			4,631	5,056
Less — Amortization			1,731	1,569
Balance — December 31	\$	\$	\$39,798	\$36,898

"edmonton telephones"		Edmonton Sanitary Sewage System		Edmonton Water		Combined Utilities	
1989	1988	1989	1988	1989	1988	1989	1988
							(restated)
\$112,866	\$ 97,342	\$7,319	\$5,340	\$45,964	\$41,200	\$471,975 (5,148) (18,148)	\$406,011 (6,677) (8,726)
112,866	97,342	7,319	5,340	45,964	41,200	458,827	390,608
28,771	23,485	2,813	3,084	9,086	9,751	126,828	99,352
18,886	8,761	659	481	4,137	3,708	42,479	37,370
2,459		262	624	425	1,279	4,899	1,903
12,545	8,761	921	1,105	4,562	4,987	47,178	39,273
\$128,292	\$112,066	\$9,211	\$7,319	\$58,468	\$45,964	\$529,535	\$450,687

"edmonton telephones"		Edmonton Sanitary Sewage System		Edmonton Water		Combined Utilities	
1989	1988	1989	1988	1989	1988	1989	1988
\$5,328	\$4,040	\$67,142	\$59,053	\$ 95,780	\$83,251	\$285,148	\$179,755
		3,116	4,309	1,144	3,894	4,829	8,646
584	1,515	5,299	4,770	11,739	9,984	21,584	20,882
584	1,515	8,325	9,079	12,883	13,878	26,423	29,528
265	227	1,105	990	1,509	1,349	4,618	4,135
\$5,647	\$5,328	\$74,362	\$67,142	\$107,154	\$95,780	\$226,961	\$205,148

COMBINED UTILITIES FINANCIAL STATEMENTS

Statement of Changes in Financial Position

for the Years Ended December 31,
1989 and 1988
(in thousands of dollars)

	Edmonton Municipal Airport		Edmonton Power	
	1989	1988	1989	1988
				(restated)
Operating Activities				
Excess revenues over expenditures	\$4,821	\$ 3,150	\$ 88,355	\$ 59,882
Add (Deduct) items not affecting working capital:				
Depreciation	940	887	18,868	15,060
Amortization of contributions			(1,731)	(1,569)
Amortization of foreign exchange loss and deferred charges			882	809
Transfer from reserves and surplus to general government:				
Dividend	(1,813)	(1,680)	(25,784)	(22,740)
For vacation pay and income replacement	(45)		(1,588)	
Other				187
Net change in non-cash working capital:				
Accounts receivable	(452)	(228)	(3,776)	374
Inventories and prepaid expense			(863)	(1,158)
Accounts payable and accrued liabilities	2	49	(1,338)	5,969
Unearned revenue				
Reserve for future expenditure			(1,888)	
Cash provided from operating activities	2,853	2,178	71,718	56,814
Investing Activities				
Purchase of property, plant and equipment	(895)	(1,287)	(208,784)	(227,949)
Inventory reclassified to property, plant and equipment				
Sale and disposal of fixed assets			580	706
Net change in non-cash working capital balance:				
Inventories and prepaid expense				269
Accounts payable and accrued liabilities			1,137	7,386
Cash applied to investing activities	(895)	(1,287)	(207,667)	(219,588)
Financing Activities				
Debtenture borrowings and loans			178,888	225,000
Payment of long-term debt	(186)	(179)	(98,843)	(36,815)
Long-term leases receivable				
Other deferred charges			(327)	(2,403)
Customer Contributions			4,882	4,613
Government Grants			588	443
Net change in non-cash working capital balances				
Accrued interest	(3)	(6)	1,888	7,204
Cash provided by financing activities	(189)	(185)	78,151	198,042
Increase (decrease) in cash position	1,869	706	(58,188)	35,268
Cash position at beginning of year	7,218	6,513	(18,878)	(46,146)
Cash position at end of year	\$8,088	\$ 7,219	\$ (78,876)	(\$10,878)

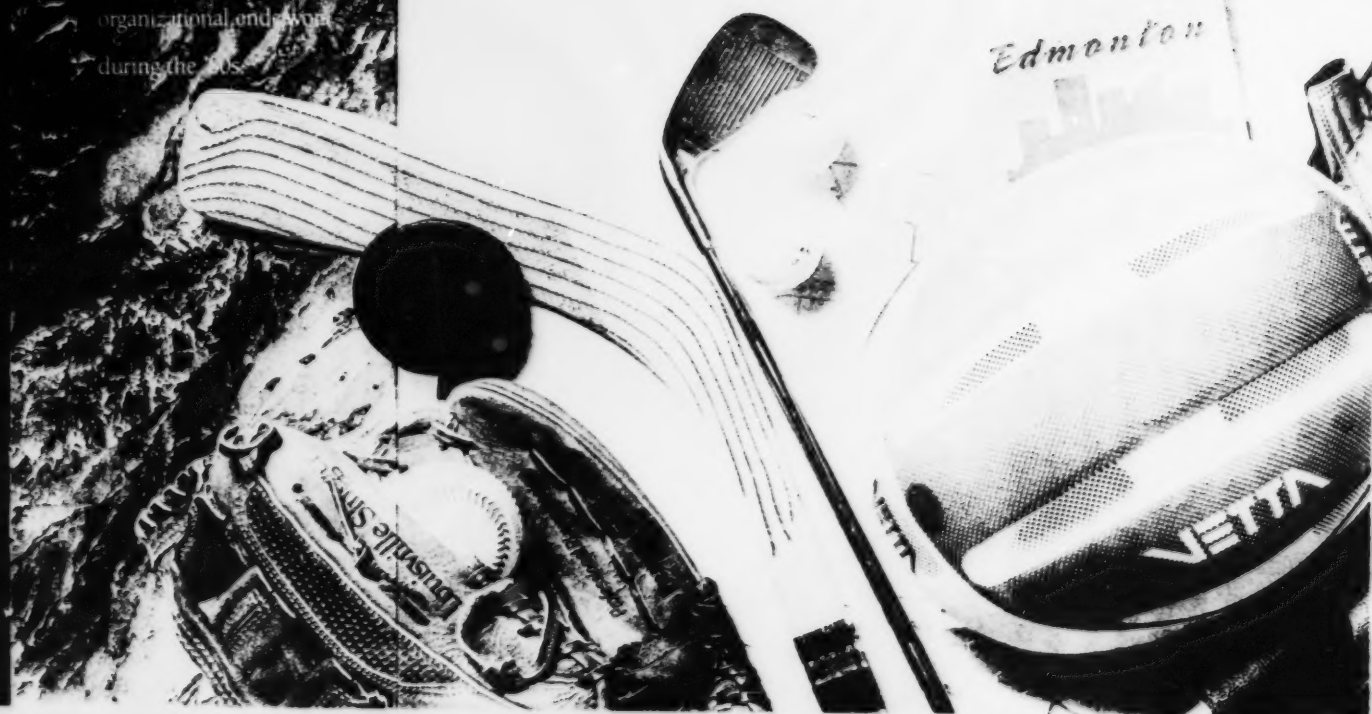
"edmonton telephones"		Edmonton Sanitary Sewage System		Edmonton Water		Combined Utilities	
1989	1988	1989	1988	1989	1988	1989	1988
							(restated)
\$ 28,771	\$ 23,485	\$ 2,813	\$ 3,084	\$ 9,888	\$ 9,751	\$ 128,826	\$ 99,352
52,921	48,356	3,742	3,509	9,853	8,300	84,724	76,112
(285)	(227)	(1,186)	(990)	(1,588)	(1,349)	(4,818)	(4,135)
73	84	186	120	1,872	922	1,943	1,935
(18,886)	(8,761)	(658)	(481)	(4,137)	(3,708)	(42,479)	(37,370)
(2,489)		(262)	(624)	(425)	(1,279)	(4,888)	(1,903)
1,844	1,259					1,844	1,446
(13,753)	1,899	(438)	(104)	(1,811)	(1,252)	(18,881)	5,689
1,884	(1,717)	(185)	(89)	(312)	(93)	(138)	(3,057)
1,876	8,873	(158)	284	304	540	13,636	25,415
(86)	(2,549)					(88)	(2,509)
						(1,888)	
65,174	85,442	3,873	4,709	12,181	11,832	155,458	160,975
(41,778)	(33,767)	(25,768)	(17,808)	(26,876)	(32,274)	(383,521)	(313,085)
(958)	(1,339)					(888)	(1,339)
278	1,619			84	329	843	2,654
				188	(20)	188	249
		1,181	1,036	(818)	169	1,428	8,591
(41,958)	(33,487)	(24,867)	(16,772)	(27,433)	(31,796)	(382,828)	(302,930)
18,481		14,786	9,451	18,368	23,743	285,535	258,194
(18,538)	(13,991)	(4,248)	(3,267)	(7,237)	(5,146)	(127,984)	(59,398)
888	189					888	189
(138)	11	(15)	(14)	(48)	(653)	(538)	(3,059)
584	1,515	5,288	4,770	11,738	9,984	21,594	20,882
		3,118	4,309	1,144	3,894	4,829	8,646
(71)	(769)	255	11	(83)	120	1,788	6,560
(4,787)	(13,045)	18,823	15,260	15,882	31,942	186,150	232,014
18,358	38,910	(1,771)	3,197	558	11,978	(48,411)	90,059
(21,878)	(60,580)	(4,438)	(7,635)	1,821	(10,957)	(28,748)	(118,805)
\$ (3,311)	\$ (21,670)	\$ (8,288)	\$ (4,438)	\$ 1,571	\$ 1,021	\$ (88,157)	\$ (28,746)



THE CITY OF EDMONTON

Schedules, Analyses and Statistics

...the city
...his accomplish
...Edmonton
...and recreation
...partment, known for its
...progressive attitude, the
...organization was responsi
...ble for many successful
...recreational, cultural and
...organizational and work
...during the 50s.



1980 Edmonton's heritage venue, Fort Edmonton Park, continued expansion and development in 1980. Four historic buildings were recreated along with the lake and creek system. Other events included the purchase of Belgian horses, initial construction of the Edmonton Radial Railway and the restoration of Edmonton's Streetcar No. 1. 1983



Responding to the recreation needs of Mill Woods residents, the Mill Woods Recreation Centre opened featuring a wave pool, racquetball courts and space for community activities.

The most advanced facility of its kind in Canada, the Edmonton Space Sciences Centre opened, thrilling Edmontonians

with the first IMAX theatre in Western Canada. The Neighborhood Park Development program was



started in 1983, inviting community groups to share in jointly-funded playground and park development. 1984 Marketing and business plans for the department were established involving the identification of target markets, advertising campaigns and the positioning of the department with the new theme, "41 in Fun." In response to the city's tight economic climate, the department reorganized, eliminating one layer of management. 1985 Parks

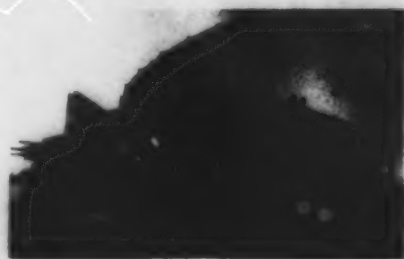


and Recreation Management Plan, which set the direction of the department as providers, facilitators and collaborators with the community, was approved by City Council. The first multicultural advisor was hired to work with arts and multicultural groups in Edmonton. The department also initiated joint-development ventures with private and semi-private partners in order to complete various projects cost-effectively. 1987 The opening of the Callinwood Arena signified the first major



facility built in Edmonton after the recession. With the establishment of the Energy Conservation Program in 1987, seventy-five facilities were asked to reduce their 1987 energy costs by five per cent; this resulted in savings of \$258,345. 1988 The Field

Services Task Force was initiated to study the needs of



customers in order to meet service standards and strengthen customer relationships. 1989 The Mill Woods Golf Course, an example of joint development between the City and community groups, opened and was joined by the Castledowns twin ice arenas in providing recreation facilities for Edmontonians. Several studies were initiated by Parks and Recreation such as the Kinsmen Sports Centre Master Plan and the Fort Edmonton Park



Tourism Opportunity Analysis. These were undertaken to plan development of these facilities to better meet future customer needs.



SCHEDULES, ANALYSES & STATISTICS

Statistical Review For the Years 1985 to 1989

(in thousands of dollars, except
per capita)

	1989	1988	1987	1986	1985
Population	583,872	576,249	576,249	571,506	560,085
Area — in hectares	70,067	70,067	70,067	70,067	70,067
Building permits	\$ 516,685	\$ 465,098	\$ 449,628	\$ 534,478	\$ 481,420
Assessment:					
Total taxable assessment	\$13,338,701	\$13,074,780	\$12,832,316	\$11,439,140	\$11,275,516
Percentage of total assessment represented by:					
Residential properties	84.1%	64.1%	64.0%	65.5%	65.9%
Commercial properties	35.9%	35.9%	36.0%	34.5%	34.1%
Taxable assessment per capita	\$ 22,847	\$ 22,689	\$ 22,269	\$ 20,016	\$ 20,132
Estimated market value of taxable assessment	\$23,444,986	\$21,596,000	\$20,415,000	\$19,500,000	\$21,520,000
Rates of taxation (mills):					
Single-family residences	25.52	24.52	23.68	24.74	23.56
Multiple-family residences	27.53	27.12	27.43	29.92	28.49
Vacant Residential land	25.52	24.52	23.68	34.17	32.54
Commercial and industrial	38.18	37.70	36.34	41.18	40.37
Tax collections, arrears and levy:					
Percentage of current taxes collected	95.3%	95.8%	94.9%	95.9%	95.7%
Percentage of arrears and current taxes collected	108.4%	101.1%	99.6%	102.4%	103.1%
Tax arrears per capita	\$ 92.51	\$ 95.75	\$ 79.32	\$ 83.90	\$ 75.35
Property tax levy per capita	\$ 747.72	\$ 721.06	\$ 681.60	\$ 669.40	\$ 654.78
Revenue:					
General government revenue	\$ 808,752	\$ 783,993	\$ 751,173	\$ 731,284	\$ 706,160
Percentage of revenue:					
Property and business taxes	82.6%	61.8%	61.5%	61.8%	61.2%
Utility contributions	11.0%	10.5%	10.1%	8.9%	8.1%
Grants	9.0%	10.2%	11.1%	11.7%	12.3%
Other	18.6%	17.5%	17.3%	17.6%	18.4%
Long-term debt:					
Debt per capita:					
Self supported	\$ 3,158	\$ 3,079	\$ 2,753	\$ 2,260	\$ 2,924
Tax supported	409	479	556	607	594
	\$ 3,567	\$ 3,558	\$ 3,309	\$ 2,867	\$ 3,518
Current tax supported debt charges as a % of general government revenue	9.2%	10.6%	11.1%	11.3%	10.0%
Per capita tax supported debt as a % of per capita disposable income	2.7%	3.1%	3.6%	4.6%	4.6%
Percentage of total debt to be retired:					
Within 5 years	29.6%	31.3%	31.2%	29.0%	27.2%
Within 10 years	68.1%	59.7%	56.7%	51.8%	48.3%

SCHEDULES, ANALYSES & STATISTICS

Analysis of Net
Long-Term Debt as
at December 31,
1989 and Long-Term
Debt and Principal
and Interest
Payments

for the year ended December 31,
1989 (in thousands of dollars)

	Long-Term Debt Outstanding		
	Long-Term Debt	Sinking Fund	Net Long Term Debt
PROTECTION TO PERSONS — PROPERTY			
Fire	\$ 12,067		\$ 12,067
Police	10,557		10,557
Traffic Lights	3,856		3,856
	26,280		26,280
PUBLIC WORKS			
Workshops, Yards and Equipment	1,408		1,408
Bridges and Approaches	5,758		5,758
Curbs and Sidewalks	204		204
Subways and Tunnels	60		60
Pedestrian Tunnels	154		154
Land	48		48
Streets and Roadways	53,161		53,161
	60,883		60,883
STORM SEWER AND SOLID WASTE SYSTEM	37,164	2,583	34,571
EDMONTON TRANSIT SYSTEM	54,280		54,280
CENTURY PLACE MORTGAGE	6,397		6,397
CHANCERY HALL MORTGAGE	1,006		1,006
CONVENTION CENTRE	9,070		9,070
CANADA PLACE	3,370		3,370
INTEGRATED SERVICES FACILITIES	8,520		8,520
COMPUTER AND CONVENTION CENTRE LEASES	3,956		3,956
RECREATION AND COMMUNITY SERVICES			
Space Sciences Building	4,736		4,736
Parks and Playgrounds	11,911		11,911
Swimming Pools	3,783		3,783
Skating Rinks	2,436		2,436
Community Centres	50		50
Parkland Acquisition	78		78
Libraries	1,340		1,340
Ambulance Authority			
Parking Garage	159		159
Health Offices	188		188
Miscellaneous	4,231		4,231
	28,912		28,912
TOTAL TAX SUPPORTED DEBT	239,818	2,583	237,225
MUNICIPAL ENTERPRISES			
Edmonton Power and Power Generation	1,058,239	82,967	976,272
Edmonton Telephones	255,126	10,531	244,595
Edmonton Water	253,093	1,130	251,963
Sanitary Sewer System	122,388	991	121,397
Edmonton Municipal Airport	3,278		3,278
Local Improvement Property Share	170,684		170,684
Public Housing	18,826		18,826
Royal Alexandra Hospital	4,300		4,300
Mobile Equipment Services	9,629		9,629
Land Inventory	36,309		36,309
Edmonton Research and Development Park	5,683		5,683
TOTAL MUNICIPAL ENTERPRISES DEBT	1,938,555	95,619	1,842,936
Provision for Foreign Exchange	2,296		2,296
TOTAL	\$2,180,579	\$98,212	\$2,082,367
Sinking Fund Required Earnings			

Long-Term Borrowing Position		Principal & Interest Payment on Long-Term Debt (Accrued)			
Pending or (Unexpended) Debt Borrowings	Total Long Term Debt Position	Principal	Interest	Provincial Government Int. Rebate	Total
	\$ 12,967	\$ 704	\$ 1,546	\$ 152	\$ 2,998
	10,557	191	1,338	237	1,292
	3,656	1,567	491	41	2,947
	26,280	2,482	3,375	430	5,437
	1,498	582	207	20	749
	5,758	1,159	530	19	1,670
	294	23	16		39
	60	10	5		15
	154	17	13		30
	48	155	6		161
15,678	68,839	13,366	6,546	822	19,990
15,678	76,561	15,292	7,323	861	21,754
8,492	43,063	6,382	3,959	222	10,119
14,864	68,924	5,163	6,980	1,058	11,885
	6,397	187	573		790
	1,006	103	71		174
	9,070	180	1,155	323	1,612
	3,370	952	300		1,252
	8,520	154	1054	233	975
	3,956	1,715	564		2,279
	4,738	63	594	72	585
	11,911	1,682	1,442	162	2,942
	3,783	307	441	43	705
	2,436	683	210		893
	50	12	4		16
	78	70	11	1	80
	1,340	511	160	13	688
		184	13	1	196
	159	143	15		158
	188	24	15		39
	4,231	683	542	62	1,173
	28,912	4,352	3,447	354	7,445
38,834	276,059	36,972	28,801	3,481	62,292
70,076	1,046,348	96,253	106,130		202,383
3,303	247,898	16,049	27,582		43,641
(1,571)	250,382	7,187	28,256	3,708	31,735
8,299	127,806	4,205	12,840	1,800	15,245
	3,278	106	384	94	396
3,899	174,383	7,841	19,421	2,909	24,153
	18,826	270	1,552	41	1,799
	4,300	131	483	52	572
	8,629	153	1,212	145	1,229
	36,209	649	3,615	824	3,440
(351)	5,332	189	1,185	196	1,178
81,385	1,924,301	132,841	202,480	9,569	325,752
	2,206				
\$125,190	\$2,282,066	\$168,813	\$231,281	\$13,060	\$398,844
		4,283			
		\$174,096			

SCHEDULES, ANALYSES AND STATISTICS

Schedule of Taxation

December 31, 1989 and 1988 (in thousands of dollars)

	1989	1988
Property Taxes:		
Arrears — January 1	\$50,564	\$47,084
Add - Penalties	9,802	9,477
- Sundry adjustments	(6,350)	(1,387)
	54,016	55,174
Add Current year's tax levy:		
Tax levy bylaw	408,364	385,777
Supplementary and partial tax levy	2,576	2,645
Assessment appeals tax reductions and adjustments	(3,935)	(576)
Capping program	(16)	(845)
Municipal and school taxes	406,989	387,001
Special frontage and local improvement taxes	27,649	27,930
Other special charges	324	580
	434,962	415,511
Less Collections:		
Current taxes	409,755	393,337
Arrears of taxes	21,959	22,147
Discount	4,813	4,637
	436,527	420,121
Gross Property tax arrears	52,451	50,564
Less — Allowance for tax sale properties	3,121	1,308
Property tax arrears — December 31	49,330	49,256
Business Taxes:		
Arrears — January 1	29,329	26,640
Add - Penalties	2,741	5,498
- Sundry adjustments	(1,839)	(380)
	30,231	31,758
Add Current year's tax levy	54,348	56,019
Less Collections:		
Current taxes	47,995	45,717
Arrears of taxes	5,828	7,307
Discount	1,513	1,438
Taxes written off	9,034	3,986
	64,370	58,448
Gross business tax arrears	20,209	29,329
Less — Allowance for uncollectible taxes	15,715	24,200
Business tax arrears — December 31	4,494	5,129
Total Tax Arrears (Property and Business)	\$53,824	\$54,385

SCHEDULES, ANALYSES & STATISTICS

Schedule of Funded Debt Transactions

December 31, 1988 and 1989
(in thousands of dollars)

	Net Debt December 31, 1988 *	Issues	Redemptions	Net Debt December 31, 1989
SELF-LIQUIDATING DEBT				
Utilities	\$1,523,471	\$202,000	\$127,966	\$1,597,505
Local Improvements	173,324	5,000	7,640	170,684
Hospitals	4,430		130	4,300
Public Housing	19,104		278	18,826
Mobile Equipment Services	9,782		153	9,629
Land Inventory	27,499		(8,810)	36,309
Research and Development Park	15,331		9,648	5,683
	1,772,941	207,000	137,005	1,842,936
DEBT SUBJECT TO TAXATION				
General	233,141	102	30,590	292,853
Storm Sewers and Solid Wastes	41,073		6,501	34,572
	274,214	102	37,091	237,225
	2,047,155	207,102	174,096	2,080,161
Provision for Foreign Exchange	2,965			2,296
Total	\$2,050,120			\$2,082,367

As at December 31, 1989 projects pending debenture funds amounted to \$81.365 million for self-liquidating and \$38.834 million for tax supported projects.

Year	Population	Self-Liq. Per Capita	Tax Supp. Per Capita	Total Per Capita
1981	521,205	1,925.35	321.03	2,246.42
1982	554,314	2,306.05	433.07	2,739.92
1983	560,085	2,535.38	542.98	3,078.36
1984	580,085	2,839.27	559.08	3,398.35
1985	560,085	2,923.57	594.00	3,517.57
1986	571,585	2,880.25	587.24	3,467.46
1987	576,249	2,753.29	596.21	3,309.50
1988	576,249	3,698.70	479.08	3,557.70
1989	583,872	3,157.76	408.72	3,566.48

SCHEDULES, ANALYSES & STATISTICS

Statement of Interest

Rates on Long-Term

Debt

December 31, 1989
(in thousands of dollars)

Percentage Rate of Interest	Long-Term Debt	Annual Interest
4.500	\$93	\$4
5.250	446	23
5.375	1,857	100
5.750	2,608	150
5.875	48	3
6.000	3,253	195
6.375	201	13
6.670	392	26
6.750	2,926	197
6.830	80	5
6.875	1,958	135
7.500	13,125	984
7.625	5,136	392
7.750	27,591	2,138
7.875	3,843	303
8.000	13,542	1,083
8.125	6,000	487
8.250	5,062	418
8.500	40,093	3,408
8.750	5,935	519
9.000	12,502	1,125
9.250	141,731	13,110
9.375	49,413	4,633
9.500	56,050	5,325
9.625	75,448	7,262
9.750	93,073	9,075
9.875	20,994	2,073
10.000	152,214	15,221
10.125	115,000	11,644
10.250	75,000	7,687
10.375	122,067	12,664
10.500	74,919	7,867
10.750	4,147	446
10.875	75,730	8,236
11.125	26,273	2,923
11.250	50,000	5,625
11.500	6,333	728
11.750	23,783	2,795
12.000	26,337	3,160
12.250	100,000	12,250
12.375	9,482	1,173
12.500	683,597	85,450
12.875	50,000	6,438
17.100	91	16
Gross Debt	2,178,373	\$237,509
Sinking Fund	98,212	
Sub-Total	2,080,161	
Provision for Foreign Exchange	2,206	
NET DEBT	\$2,082,367	

$$\text{Average Annual Interest Rate} = \frac{237,509}{2,178,373} \times 100 = 10.91\%$$

SCHEDULES, ANALYSES & STATISTICS

Summary of Outstanding Long- Term Debt

December 31, 1989
(in thousands of dollars)

DEBENTURE DEBT ISSUED TO

Alberta Municipal Financing Corporation	\$1,588,788
General Public	448,225
Central Mortgage and Housing Corporation	8,881
Province of Alberta	423
Alberta Housing Corporation	854
Research Park Loan-Alberta Housing Corporation	4,147
J. Henry Schroder & Wagg Co.	28,774
Municipal Development and Loan Board	1,284
Government of Canada	886
City of Edmonton Sinking Fund	93
	2,151,486

MORTGAGES ISSUED TO

Municipal Development and Loan Board	1,883
Central Mortgage and Housing Corporation	13,885
Montreal Trust Company	7,483
	23,811

LEASES WITH

Sperry Incorporated	3,885
Hewlett Packard	91
	3,986

PROVISION FOR FOREIGN EXCHANGE

	2,286
Total Long-Term Debt	\$2,188,579

The Long Term debt of the City of Edmonton is payable in the following currency and amounts:

Canadian Dollars	\$2,188,889
U.S. Dollars	13,820
	\$2,188,579

SCHEDULES, ANALYSES & STATISTICS

Annual Long-Term

Debt Service Charges

December 31, 1989
(in thousands of dollars)

Year	SELF-LIQUIDATING				DEBT SUBJECT TO TAXATION				
	Principal	Interest	Rebate	Sub-Total	Principal	Interest	Rebate	Sub-Total	Total
1990	\$104,746	\$209,430	(\$9,186)	\$304,990	\$37,845	\$27,086	(\$3,366)	\$61,565	\$366,555
1991	106,414	202,112	(8,691)	299,835	26,421	23,583	(3,125)	46,879	346,714
1992	108,531	194,324	(8,374)	294,481	18,578	20,967	(2,953)	36,592	331,073
1993	108,598	183,631	(8,022)	284,207	12,341	19,236	(2,749)	28,828	313,035
1994	110,028	173,079	(7,643)	275,464	11,634	17,716	(2,583)	26,767	302,231
1995	117,248	165,162	(7,224)	275,186	11,543	16,210	(2,404)	25,349	300,535
1996	124,774	156,581	(6,760)	274,595	11,465	14,842	(2,202)	24,105	298,700
1997	126,624	147,404	(6,249)	267,779	11,810	13,490	(2,023)	23,277	291,056
1998	126,356	130,148	(5,683)	250,821	9,543	12,061	(1,825)	19,779	270,600
1999	114,243	112,403	(5,065)	221,581	10,720	10,881	(1,635)	19,966	241,547
2000	102,308	102,976	(4,395)	200,889	11,630	9,555	(1,422)	19,763	220,652
2001	100,581	94,983	(3,734)	191,830	11,532	8,106	(1,190)	18,448	210,278
2002	91,671	87,338	(3,065)	175,944	10,228	6,669	(984)	15,913	191,857
2003	89,946	77,617	(2,402)	165,161	8,648	5,396	(793)	13,251	178,412
2004	77,572	68,250	(1,740)	144,082	9,724	4,320	(613)	13,431	157,513
2005	67,832	56,229	(1,058)	123,003	10,934	3,110	(412)	13,632	136,635
2006	59,312	45,629	(530)	104,411	8,152	1,749	(185)	9,716	114,127
2007	48,046	39,056	(259)	86,843	4,585	736	(75)	5,246	92,089
2008	28,171	29,939	(89)	58,021	1,306	163	(19)	1,450	59,471
2009	16,424	17,602	(24)	34,002	0	0	0	0	34,002
2010	4,276	1,527	0	5,803	0	0	0	0	5,803
2011	1,587	1,063	0	2,650	0	0	0	0	2,650
2012	781	916	0	1,697	0	0	0	0	1,697
2013	848	849	0	1,697	0	0	0	0	1,697
2014	630	776	0	1,406	0	0	0	0	1,406
2015	679	727	0	1,406	0	0	0	0	1,406
2016	733	673	0	1,406	0	0	0	0	1,406
2017	791	615	0	1,406	0	0	0	0	1,406
2018	854	552	0	1,406	0	0	0	0	1,406
2019	922	484	0	1,406	0	0	0	0	1,406
2020	960	412	0	1,372	0	0	0	0	1,372
2021	1,000	337	0	1,337	0	0	0	0	1,337
2022	1,080	257	0	1,337	0	0	0	0	1,337
2023	1,036	170	0	1,206	0	0	0	0	1,206
2024	861	88	0	949	0	0	0	0	949
2025	265	21	0	286	0	0	0	0	286
	\$1,843,728	\$2,303,360	(\$90,193)	\$4,056,895	\$238,639	\$215,876	(\$30,558)	\$423,957	\$4,480,852

THE CITY OF EDMONTON
Related Authorities Financial Statements

...and a recognized leader and
important component of
Edmonton's emergency
health care team. It is an
integral part of the emer-
gency response services
supplied by the City of
Edmonton.



1980 On the basis of recommendations resulting from the Edmonton Ambulance project, for which



the groundwork was laid in 1979, the positions of Emergency Medical Services Coordinator and Medical Director were created. 1981 The Edmonton Ambulance Authority was established through the enactment of Bills PR7 and PR8 by the Government of Alberta. 1982 Advanced Life Support (ALS) was



implemented, providing an extension of the emergency department at the scene of critically ill or injured. 1983 The Northern Alberta Institute of Technology's first paramedic

graduates, Edmonton Ambulance Authority employees, joined their colleagues as fully qualified emergency medical technician-paramedics



providing advanced life support care to the citizens of Edmonton. 1984 Cutbacks were prompted by the economic downturn, resulting in reductions to



its management staff.

■ A computer-based accounts receivable program was introduced, which played a major role in securing and maintaining the Authority's

receivables. 1985 The year was marred by a workers' strike which accentuated the depth of the economic squeeze felt by the Authority. ■ The highlight of the year came with the introduction of the Health





Disciplines Act, which was to provide for the registration, licensing and regulation of all ambulance personnel within Alberta. 1986 A report of the Auditor General dictated administrative, operational

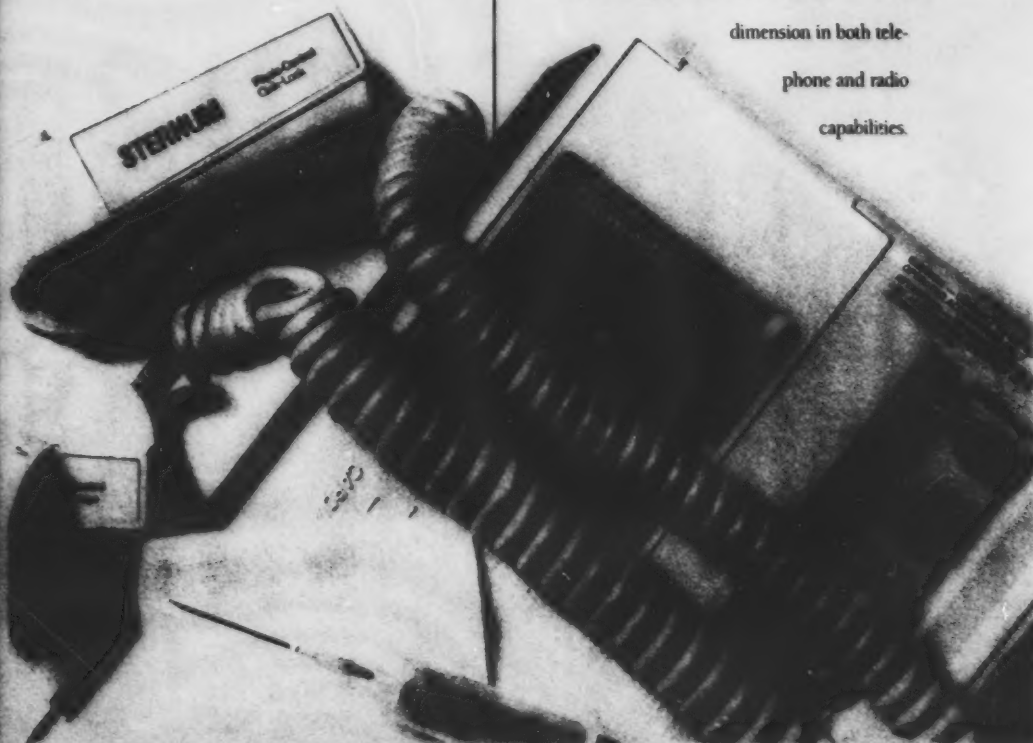


and system changes which began under the direction of a new General Manager. ■ Midway through the year, the Authority embarked on a

joint multi-agency venture to introduce a helicopter air medical service. 1987 The tornado disaster had a major impact on the Edmonton Ambulance Authority. An organizational evaluation and communications study were initiated and resulted in the implementation of a new communications centre. ■ Staffing strategies implemented in late 1986 began to bring about a decrease in response times. 1988 The develop-



ment of a "second generation" of modular ambulances was completed. This new technology resulted in substantial savings in both operating and maintenance costs. 1989 The Edmonton Ambulance Authority completed its new communications centre which provided the Authority with a new dimension in both telephone and radio capabilities.





NON-PROFIT HOUSING CORPORATION

Auditors' Report

To the Shareholder

We have examined the balance sheet of The City of Edmonton Non-Profit Housing Corporation as at December 31, 1989 and the statements of revenue and expense, surplus and reserves and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances, except as explained in the following paragraph.

In our reports dated February 27, 1987, and March 11, 1988 and March 8, 1989, our opinions on the 1986, 1987 and 1988 financial statements were qualified because amended agreements supporting the revised basis for the calculation of reserves were not available (see note 6). As the amended agreements have not yet been executed, we were not able to determine whether any adjustments might be necessary to the reserves for 1986, 1987, 1988 and 1989.

In our opinion, except for the effect of adjustments to the replacement reserves, if any, which we might have determined to be necessary had we been able to verify the changes by reference to the amended agreements referred to above, these financial statements present fairly the financial position of the Corporation as at December 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles set out in the summary of significant accounting policies applied on a basis consistent with that of the preceding year.

Edmonton, Canada
March 2, 1990

Peat Marwick Thorne

Peat Marwick Thorne
Chartered Accountants

NON-PROFIT HOUSING CORPORATION

Balance Sheet

As at December 31, 1989
with comparative figures for 1988
(thousands of dollars)

	1989	1988
Assets		
Current Assets:		
Cash and short-term deposits	\$ 106	57
City of Edmonton — current account	4,464	4,466
Accounts receivable	36	29
Prepaid property taxes	354	392
	4,960	4,944
Fixed Assets:		
Housing projects (note 3)	47,234	47,234
Less accumulated depreciation	817	613
	46,417	46,621
	\$51,377	51,565
Liabilities and Shareholder's Equity		
Current Liabilities:		
Accounts payable	\$ 13	12
Tenant deposits	263	253
Rents received in advance	2	2
Current portion of mortgages payable (note 5)	2,166	2,149
	2,444	2,416
The City of Edmonton loan (note 4)	2,500	2,500
Mortgages payable (note 5)	45,993	46,259
Shareholder's equity:		
Capital stock:		
Authorized 20,000 shares without par value; issued 1 share	1	1
Operating surplus	32	163
Replacement reserve	407	226
	440	390
	\$51,377	51,565

See accompanying notes to financial statements.

NON-PROFIT HOUSING CORPORATION

Statement of Revenue and Expense

Year ended December 31, 1989,
with comparative figures for 1988
(in thousands of dollars)

	1989	1988
Rental operations:		
Revenue:		
Rental	\$4,257	3,990
Operating assistance	3,254	3,651
	7,511	7,641
Expense:		
Interest	5,320	5,643
Property taxes	629	633
Utilities	471	443
Repairs and maintenance	433	440
Wages and salaries	216	196
Depreciation	204	203
Management fees	128	123
Insurance	22	22
Advertising	5	16
Other	19	45
	7,447	7,764
Rental income (loss)	64	(123)
Administration expense:		
Salaries	106	103
Contract work	30	29
Occupancy	17	15
Other	(2)	1
	151	148
Other income (expense):		
Income replacement appropriation and vacation pay accrual (note 7)	(34)	
Write-off of pre-development costs		(43)
Interest income	220	181
	186	138
Excess (deficiency) of revenue over expense	\$ 99	(133)

See accompanying notes to financial statements.

NON-PROFIT HOUSING CORPORATION

Statement of Surplus and Reserves

Year ended December 31, 1989,
with comparative figures for 1988
(in thousands of dollars)

	1989	1988
Operating surplus, beginning of year	\$163	398
Excess (deficiency) of revenue over expense	99	(133)
Transfer to replacement reserve	(230)	(102)
Operating surplus, end of year	\$ 32	163
Replacement reserve, beginning of year	\$226	167
Capital expenditures	(49)	(43)
Transfer from operating surplus	230	102
Replacement reserve, end of year	\$407	226

See accompanying notes to financial statements.

NON-PROFIT HOUSING CORPORATION

Statement of Changes in Financial Position

Year ended December 31, 1989,
with comparative figures for 1988
(in thousands of dollars)

	1989	1988
Operating activities:		
Excess (deficiency) of revenue over expense	\$ 99	(133)
Add (deduct):		
Items not affecting cash:		
Depreciation	204	203
Write-off of pre-development costs		43
Net changes in non-cash working capital balances relating to operations:		
Accounts receivable	(7)	45
Prepaid property taxes	38	(225)
Accounts payable	1	
Deferred revenue		(143)
Tenant deposits	10	(4)
Rents received in advance		(4)
Cash provided by (applied to) operations	345	(218)
Investing activities:		
Capital expenditures	(49)	(43)
Cash applied to investing activities	(49)	(43)
Financing activities:		
Repayment of long-term debt	(249)	(248)
Cash applied to financing activities	(249)	(248)
Increase (decrease) in cash	47	(509)
Cash, beginning of year	4,523	5,032
Cash, end of year	\$4,570	4,523
Cash, end of year:		
Cash	\$ 106	57
City of Edmonton - current account	4,464	4,466
	\$4,570	4,523

See accompanying notes to financial statements.

NON-PROFIT HOUSING CORPORATION

Notes to

Financial Statements

December 31, 1989

1. Authority and activity:

The Corporation was established for the purpose of providing non-profit housing for the citizens of The City of Edmonton. City Council authorized the establishment of the Corporation by approving Bylaw No. 5107 on September 8, 1977. The City of Edmonton is the sole shareholder of the Corporation.

2. Summary of significant accounting policies:

(a) Fixed assets:

Housing projects are valued at cost. Interest, property taxes and administration expenses incurred during construction are capitalized to the cost of the projects. Revenue generated from the project up to the interest adjustment date is netted against the cost of the project. The housing projects are depreciated at an amount equal to the repayment on related mortgages, net of interest expense for the year.

Purchases of replacement equipment, household appliances and floor coverings are charged to replacement reserves or to operations in the year of purchase and gross proceeds on any disposals are recorded as revenue.

(b) Operating assistance:

Operating assistance is subsidies provided by Canada Mortgage and Housing Corporation and Alberta Mortgage and Housing Corporation to reduce project costs and rentals.

(c) Replacement reserves:

Replacement reserves are required pursuant to the Corporation's agreements with Canada Mortgage and Housing Corporation and Alberta Mortgage and Housing Corporation. The replacement reserves are increased based on specific calculations for the related project and will be used for capital replacements for the project (see note 6).

3. Housing projects:

	1989	1988
Completed projects:		
Land costs	\$ 8,516,251	8,516,251
Construction costs	38,717,571	38,717,571
Total housing projects	\$47,233,822	47,233,822
Number of units:	875	875

4. The City of Edmonton loan:

The Corporation has received a loan of \$2,500,000 from The City of Edmonton from funds generated by the Municipal Incentive Grant Program. Interest is charged at the City's short-term investment rate.

NON-PROFIT HOUSING CORPORATION

Notes to

Financial Statements

December 31, 1989

5. Mortgages payable:

The mortgages payable are secured by the housing projects and are payable to the Alberta Mortgage and Housing Corporation.

Project	Monthly payment including interest	Interest Rate	Mortgage renewal date	Balance outstanding Dec. 31, 1989, including accrued interest
Willowdale	\$25,562	11.718	June 1, 1994	\$ 2,614,016
Boyle St. II	34,383	11½	Jan 1, 1993	3,546,776
Boyle St. III	35,750	11½	Feb 1, 1993	3,721,776
King Edward I	23,220	11¼	July 1, 1993	2,446,607
King Edward II	10,678	11¼	July 1, 1993	1,125,151
McCauley	40,791	11%	Aug 1, 1993	4,182,465
Point West	41,540	11¼	Oct 1, 1993	4,402,679
Lago Lindo	22,024	11¼	Nov 1, 1993	2,240,912
Riverdale	12,587	11¼	July 1, 1992	1,319,650
Castle Close	20,203	11½	Sept 1, 1992	2,081,621
Kameyosek	35,371	11¼	Nov 1, 1992	3,647,251
North Callingwood	28,986	11½	Nov 1, 1992	2,988,903
Elm Park Place	14,080	11½	Jan 1, 1991	1,433,695
Vermillion Place	8,613	10¼	May 1, 1991	928,419
Barclay Square	37,170	11	July 1, 1991	3,938,122
Primrose Place	26,640	11	Aug 1, 1991	2,824,039
Castle Brae	23,985	11	Sept 1, 1991	2,545,131
Mission Glen	20,464	11	Sept 1, 1991	2,171,468
				48,158,681
Less current portion including accrued interest				2,165,770
				\$45,992,911

The approximate repayment of principal over the next five years will be as follows:

1990	\$266,000
1991	297,000
1992	331,000
1993	370,000
1994	413,000

6. Change in basis of accounting:

Prior to 1986 under the Corporation's agreements with Alberta Mortgage and Housing Corporation and Canada Mortgage and Housing Corporation, replacement and subsidy reserves were provided for all projects based on specific calculations designed to provide for capital replacements for the projects. During 1986, the Corporation changed the basis of the calculation of the reserves such that replacement reserves are funded only for projects in a surplus position after allocation of administration expenses. Subsidy reserves are no longer funded. Amended agreements incorporating these changes have not been agreed to by Canada Mortgage and Housing Corporation.

The calculations as revised recognize that it is appropriate to allocate a portion of surplus revenues to reserves. However, projects with an operating deficit do not generate surplus funds which are available for allocation to reserves and therefore it is inappropriate to establish replacement reserves for these projects.

7. Income replacement appropriation and vacation pay accrual:

The income replacement program for employees of the Corporation was changed in 1989 to a long-term/short-term disability program. The accumulated liabilities for the employees under the former plan have been recognized at the time of the change in programs. In 1989 the corporation has also recognized the liability for vacation pay that has accumulated for the employees of the corporation.

THE EDMONTON RESEARCH AND DEVELOPMENT PARK AUTHORITY

Auditors' Report

To the Authority Board Members

We have examined the balance sheet of The Edmonton Research and Development Park Authority as at December 31, 1989 and the statements of operations and funding, equity in fixed assets, and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Authority as at December 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Edmonton, Canada
February 28, 1990

Pear Marwick Thorne
Chartered Accountants

Balance Sheet

December 31, 1989, with
comparative figures for 1988
(in thousands of dollars)

	1989	1988
Assets		
Due from The City of Edmonton	\$ 239	
Accounts receivable	248	39
Land held for development and sale (note 3)		11,406
Rental property (note 4)	7,251	7,558
	\$7,738	\$19,003
Liabilities and Equity		
Accrued liabilities	\$ 155	361
Due to The City of Edmonton		1,391
Loan payable (note 3)		4,267
Debentures payable (note 6)	5,683	11,064
	5,838	17,083
Unamortized grant	1,840	1,920
Equity in fixed assets	60	
	\$7,738	19,003

See accompanying notes to financial statements.

THE EDMONTON RESEARCH AND DEVELOPMENT PARK AUTHORITY

Statement of Operations and Funding

Year ended December 31, 1989,
with comparative figures for 1988
(in thousands of dollars)

	1989	1988
Revenue:		
Rental:		
Research	\$ 239	278
Advanced Technology Centre	119	62
Provincial government grants	150	
	508	340
Expenditures:		
Marketing and administration:		
Salaries and benefits	279	265
Office rent and parking		24
Legal, audit and financial services	25	18
Advertising and promotion	27	41
Furnishings and equipment	45	45
Board of Directors	5	4
Travel and training	18	15
Supplies, postage and courier	14	16
Consultants and service contracts	19	12
Miscellaneous	2	3
	434	443
Operations:		
Tenant improvements [note 2 (e)]	77	
Grounds maintenance	36	30
Building maintenance	49	49
Building utilities	81	51
Road maintenance	1	16
	244	146
Interest	1,411	1,400
Depreciation	356	353
	2,445	2,342
Operating deficiency	1,937	2,002
Loss on sale of land	312	
Subsidy from The City of Edmonton	\$(2,248)	(2,002)

See accompanying notes to financial statements.

Statement of Equity in Fixed Assets

Year ended December 31, 1989

	1989
Balance, beginning of year	\$
Additions during the year [note 2(e)]	77
Amortization	17
Balance, end of year	\$80

See accompanying notes to financial statements.

THE EDMONTON RESEARCH AND DEVELOPMENT PARK AUTHORITY

Statement of Changes in Financial Position

Year ended December 31, 1989,
with comparative figures for 1988
(in thousands of dollars)

	1989	1988
Operating activities:		
Operating deficiency	\$(1,937)	(2,002)
Charges to operations not involving cash:		
Depreciation	356	353
Increase in accounts receivable relating to operations	(20)	(12)
Decrease in accrued liabilities relating to operations	(2)	(8)
Funding applied to operating activities	(1,603)	(1,669)
Investing activities:		
Additions to rental property	(69)	(1,304)
Additions to land held for development and sale		(35)
Proceeds on sale of land held for development and sale	641	
Increase in accounts receivable on sale of land	(189)	
Proceeds on transfer of land held for development and sale to The City of Edmonton, net of obligations transferred (note 3)	939	
Decrease in accrued liabilities relating to investing activities	(29)	(479)
Funding provided by (applied to) investing activities	1,293	(1,818)
Financing activities:		
Subsidy from The City of Edmonton	2,249	2,002
Repayment of loan payable	(120)	
Repayment of debenture payable	(189)	(142)
Provincial government assistance		1,113
Funding provided by financing activities	1,940	2,973
Increase in Due from (to) The City of Edmonton	1,630	(514)
Due to The City of Edmonton, beginning of year	(1,391)	(877)
Due from (to) The City of Edmonton, end of year	\$ 239	(1,391)

See accompanying notes to financial statements.

THE EDMONTON RESEARCH AND DEVELOPMENT PARK AUTHORITY

Notes to Financial

Statements

December 31, 1989

1. Authority and activity:

On April 25, 1979, The City of Edmonton authorized the development of The Edmonton Research and Development Park including provisions for servicing the land. On May 22, 1980, the Provincial Government proclaimed Bill PR2, The Edmonton Research and Development Park Authority Act, which created The Edmonton Research and Development Park Authority ("the Authority") as a Body Corporate. The Authority was established for the purpose of acquiring, planning, developing and servicing lands designated for use by The Edmonton Research and Development Park.

On October 29, 1980, City Council authorized the Commission Board to execute the Operating Agreement between The City of Edmonton and the Authority. The Authority is operating as a separate entity.

Undeveloped land is held by The City of Edmonton (note 3).

2. Summary of significant accounting policies:

(a) Balance sheet:

The Authority, as a real estate developer, has not classified its balance sheet as to current and non-current assets and liabilities. This is consistent with the recommendation of the Canadian Institute of Public Real Estate Companies.

(b) Rental property:

Rental property is recorded at cost. Depreciation and amortization on buildings and tenant improvements is provided on the straight-line basis at the following rates:

Buildings	25 years
Tenant improvements - 35% of cost	25 years
- 65% of cost	5 years

(c) Unamortized grants:

Provincial government assistance received for the construction of the Advanced Technology Center is being amortized to income on a straight-line basis over the life of the building. Amortization is applied to reduce depreciation expense.

(d) Furnishings and equipment:

Furnishings and equipment acquired from operating revenues are expensed in the year of acquisition.

(e) Tenant improvements:

Tenant improvements acquired with subsidies from The City of Edmonton are recorded as expenditures in the statement of operations and deficit. In addition, they are recorded on the balance sheet as assets and equity in fixed assets. Amortization on these assets is charged directly to the equity in fixed assets.

3. Land held for development and sale:

Prior to 1989, the land held for development and sale was recorded as an asset of the Edmonton Research and Development Park Authority. Title to the land was held by The City of Edmonton in trust for the Authority.

In 1989 the land was transferred to The City of Edmonton at cost. Details of the transfer are as follows:

Cost of land transferred	\$10,453,136
Obligations assumed by The City of Edmonton:	
Loan payable to the Alberta Mortgage and Housing Corporation	4,147,298
Debenture payable	5,193,120
Accrued interest on debenture payable	174,274
	9,514,692
Reduction of amount due to The City of Edmonton	\$ 938,444

THE EDMONTON RESEARCH AND DEVELOPMENT PARK AUTHORITY

Notes to Financial Statements — continued

December 31, 1989

4. Rental property:

	1989	1988
Buildings	\$6,665,431	6,596,397
Tenant improvements	1,270,014	1,193,070
	7,935,445	7,789,467
Accumulated depreciation and amortization	1,620,935	1,168,598
	6,314,510	6,620,869
Land	936,790	936,790
	\$7,251,300	7,557,659

5. Due from (to) The City of Edmonton:

This account includes charges relating to the current fiscal year processed on behalf of the Authority by The City of Edmonton subsequent to year-end. These amounts are included in accounts receivable and accounts payable and accruals in the combined financial statements of The City of Edmonton.

6. Debentures payable to the Alberta Municipal Financing Corporation:

In 1981 a debenture for \$6,000,000 at 19.0% issued by The City of Edmonton was allocated to the Authority. The debenture is repayable in equal annual instalments of principal and interest of \$821,233 through 2006.

The debenture is eligible for the Alberta Government interest rebate which reduces the effective rate to 11% per year.

The payments required over the next five years are as follows:

Year	Principal	Interest (net of rebate)	Total
1990	\$110,885	625,106	735,991
1991	124,746	612,908	737,654
1992	140,339	599,186	739,525
1993	157,882	583,749	741,631
1994	177,617	566,382	743,999

THE EDMONTON AMBULANCE AUTHORITY

Auditors' Report

To the Members

We have examined the balance sheet of The Edmonton Ambulance Authority ("the Authority") as at December 31, 1989 and the statements of revenue and expenditures and general surplus and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Authority as at December 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles described in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Edmonton, Canada
April 3, 1990

Peat Marwick Thorne
Chartered Accountants

Balance Sheet

December 31, 1989, with
comparative figures for 1988
(in thousands of dollars)

	1989	1988
Current assets:		
Accounts receivable	\$ 786	588
Inventory — at cost (note 2)	47	47
Prepaid expenses	26	63
	859	698
Fixed assets (note 3)	718	375
	\$1,577	1,073
Liabilities and Surplus		
Current liabilities:		
Cheques issued in excess of bank balance	\$ 6	52
Accounts payable and accrued charges	690	483
Current portion of long-term debt		184
Due to The City of Edmonton (note 4)	854	316
	1,550	1,035
Surplus:		
Contributed surplus (note 5)	27	38
General surplus		
	\$ 27	38
	\$1,577	1,073

See accompanying notes to financial statements.

THE EDMONTON AMBULANCE AUTHORITY

Statement of Revenue and Expenditures and General Surplus

Year ended December 31, 1989,
with comparative figures for 1988
(in thousands of dollars)

	1989	1988
Revenue:		
Ambulance services	\$5,769	\$5,017
Deduct bad debt expense	223	220
	5,546	4,797
Miscellaneous	19	23
	5,565	4,820
Expenditures:		
Labour, salaries and employee benefits	6,652	5,770
Vehicle, plant and equipment	709	628
Ambulance services	362	304
Communications	216	210
Administrative services	181	115
Debenture servicing costs	11	31
	8,131	7,058
Excess of expenditures over revenue before other items	2,566	2,238
Other items:		
Depreciation (note 3)	443	114
Amortization of contributed surplus	(11)	(1)
Gain on disposal of fixed assets	(25)	(8)
	407	105
Excess of expenditures over revenue before The City of Edmonton subsidy	2,973	2,343
The City of Edmonton subsidy	2,973	2,343
General surplus	nil	nil

See accompanying notes to financial statements.

THE EDMONTON AMBULANCE AUTHORITY

Statement of Changes in Financial Position

Year ended December 31, 1989,
with comparative figures for 1988
(in thousands of dollars)

	1989	1988
Operating activities:		
General surplus	\$	
Add (deduct):		
Items not affecting working capital:		
Depreciation	443	114
Amortization of contributed surplus	(11)	(1)
Gain on disposal of fixed assets	(25)	(8)
Net changes in non-cash working capital balances relating to operations:		
Accounts receivable	(190)	167
Inventory		21
Prepaid expenses	37	(18)
Accounts payable and accrued charges	207	(123)
Cash provided by operations	453	152
Investing activities:		
Purchase of fixed assets	(814)	(282)
Proceeds on disposal of fixed assets	33	36
Cash applied to investing activities	(781)	(246)
Financing activities:		
Increase in contributed surplus		35
Repayment of long-term debt	(184)	(163)
Cash applied to financing activities	(184)	(128)
Increase in bank indebtedness and due to The City of Edmonton	482	222
Bank indebtedness and due to The City of Edmonton, beginning of year	368	146
Bank indebtedness and due to The City of Edmonton, end of year	3800	368
Bank indebtedness and due to The City of Edmonton is comprised of the following:		
Cheques issued in excess of bank balance	\$ 6	52
Due to The City of Edmonton	854	316
	3800	368

See accompanying notes to financial statements.

THE EDMONTON AMBULANCE AUTHORITY

Notes to Financial

Statements

December 31, 1989

The Edmonton Ambulance Authority was incorporated by Chapter 87 of the Statutes of Alberta, 1981 under Bill PR7 for the purpose of establishing, developing, maintaining, managing and operating an ambulance service in The City of Edmonton. The Authority is a non-profit organization administered by a Board of Directors which is accountable directly to the City Council of Edmonton.

1. Significant accounting policies:

These financial statements have been prepared in accordance with generally accepted accounting principles, except for the following:

(a) Fixed assets:

Additions and depreciation:

In accordance with accounting policies followed by municipal organizations, fixed assets acquired prior to 1986 and financed through debenture borrowing are carried at their original cost less accumulated depreciation. The annual depreciation charge is calculated on a straight-line basis over the term of the related debenture debt.

Automotive and ambulance equipment acquired subsequent to December 31, 1985 are recorded at cost and are depreciated on a straight-line basis over their estimated useful lives ranging from three to seventeen years. As a result of the application of the accelerated depreciation policy, certain fixed assets which were to have been depreciated over seventeen years have been fully depreciated. The remaining book value of automotive and ambulance equipment is being written off over three to four years.

Office furnishings, computers, training and communication equipment, and other capital items budgeted for in the operating budget are expensed in the year of acquisition.

Accelerated depreciation:

The Authority records an accelerated depreciation provision to the extent of the unexpended favourable budget variance available at the end of the year.

Disposals:

Disposals of automotive and ambulance equipment are accounted for by recording the gain or loss on disposal as an income statement item with both the original cost of the asset and its related accumulated depreciation being removed from the accounts.

(b) Contributed surplus:

Assets acquired through grants or contributions are recorded at their full cost with a corresponding increase to contributed surplus. These assets are depreciated on the same basis as similar automotive and ambulance equipment. The offsetting contributed surplus is amortized to income on the same basis as the donated assets are depreciated.

THE EDMONTON AMBULANCE AUTHORITY

Notes to Financial

Statements

— continued

December 31, 1989

	1989	1988
2. Inventory:		
Medical supplies	\$22,252	20,022
Vehicle parts and supplies	24,829	27,066
	\$47,081	47,088

3. Fixed Assets

		1989	1988
	Cost	Accumulated amortization	Net book value
Automotive and ambulance equipment	\$2,112,142	1,394,724	717,418
			374,735

The Authority recorded depreciation in 1989 of \$442,876 (1988 — \$114,405). The increase from 1988 is a result of the application of the accelerated depreciation policy followed by the Authority. Under this policy, depreciation was provided in 1989 to the extent of the unexpended favorable budget variance available at the end of 1989. The accelerated portion of the depreciation in 1989 was \$302,967 (1988 — \$nil).

4. Due to The City of Edmonton:

	1989	1988
Due to The City of Edmonton, beginning of year	\$ 316,349	128,398
Net transfers from The City of Edmonton	3,189,953	2,269,810
The City of Edmonton subsidy	(2,974,486)	(2,342,602)
Short-term borrowings payable	321,920	163,918
Debenture payment		96,825
Due to The City of Edmonton, end of year	\$ 853,736	316,349

THE EDMONTON AMBULANCE AUTHORITY

Notes to Financial

Statements

— continued

December 31, 1989

5. Contributed surplus:

In 1988, the University of Alberta contributed a modular remount of the Neonatal unit costing \$36,323 which is being amortized over four years beginning in 1989.

			1989	1988
	Cost	Accumulated amortization	Net book value	Net book value
Equipment	\$38,160	38,160		1,477
Neonatal unit remount	36,323	9,081	27,242	36,323
	\$75,483	48,241	27,242	37,800

6. Long-term leases:

Total rent payments in respect of leased premises for the year ending December 31, 1989 amounted to \$497,478. Minimum rent payment requirements for each of the next four years are as follows:

1990	\$153,658
1991	152,809
1992	152,809
1993	38,202
	\$497,478

The Authority has additional lease commitments for various office and communication equipment for approximately \$4,000 per month.

EDMONTON CONVENTION CENTRE AUTHORITY

Auditors' Report

To the Members of The Edmonton Convention Centre Authority:

We have examined the balance sheet of The Edmonton Convention Centre Authority as at December 31, 1989 and the statements of operations and The City of Edmonton funding, The City of Edmonton advance, and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Authority as at December 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Edmonton, Canada
March 2, 1990

Ernst & Young
Chartered Accountants

Balance Sheet

As at December 31
(in thousands of dollars)

	1989	1988
ASSETS		
Current		
Cash	\$ 241	\$ 155
Accounts receivable (note 3)	862	625
Inventories (note 4)	131	86
Prepaid expenses and deposits (note 5)	70	70
Capital projects (note 6)	194	32
Total current assets	1,498	968
Fixed assets at cost (note 7)	580	343
Accumulated amortization	305	252
	255	91
	\$1,753	\$1,059
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 658	\$ 507
Salaries and benefits payable	171	115
Obligation under capital lease — current portion	32	
Deposits (note 8)	49	46
Unexpended Computerization Project Funds (note 9)	21	
The City of Edmonton advance (note 11)	763	391
Total current liabilities	\$1,694	\$1,059
Obligation under capital lease (note 10)	\$ 59	\$
Commitments (note 10)		
	55	
	\$1,753	\$1,059

See accompanying notes

EDMONTON CONVENTION CENTRE AUTHORITY

Statement of Operations and The City of Edmonton Funding

Year ended December 31
(in thousands of dollars)

	1989			1988	
	Banquets	Events and Services	Special Events	Total	Total
REVENUE	\$3,063	\$1,156	\$ 658	\$4,877	\$4,488
Cost of sales	909		204	1,113	1,005
Gross margin	2,154	1,156	454	3,764	3,483
DIRECT OPERATING EXPENSES					
Salaries, wages and benefits	1,173	451	117	1,741	1,531
Supplies	110	39	12	161	187
Laundry and linen	93	4		97	133
Entertainment			82	82	77
Janitorial		78		78	70
Advertising and promotion			43	43	31
General and administration	13	2		15	10
Storage		9		9	10
Security			8	8	5
Miscellaneous			4	4	4
Direct operating expenses	1,389	583	266	2,238	2,058
	\$ 765	\$ 573	\$ 188	1,526	1,425
OTHER (INCOME) EXPENSE					
General administration expense				1,118	971
Maintenance expense				1,130	1,063
Marketing and sales expense				738	700
Miscellaneous revenue				(295)	(206)
Building and equipment modifications					114
				2,691	2,642
Excess of expenses over revenue				\$1,165	\$1,217
Funding from The City of Edmonton				\$1,165	\$1,217

See accompanying notes

EDMONTON CONVENTION CENTRE AUTHORITY

The City of Edmonton Advance

Year ended December 31
(in thousands of dollars)

	1989	1988
The City of Edmonton advance, beginning of year	\$ 391	\$ 319
Add		
Advances received	2,835	1,703
	3,226	2,022
Deduct		
Funding from the City of Edmonton for operations	1,184	1,217
Funding from the City of Edmonton for capital projects	1,299	414
	2,483	1,631
The City of Edmonton advance, end of year	\$ 763	\$ 391

See accompanying notes

Statement of Changes in Financial Position

Year ended December 31
(in thousands of dollars)

	1989	1988
Cash provided by (used in) operating activities		
Excess of expenses over revenues	\$(1,185)	\$(1,217)
Add charges to operations not requiring a current cash payment		
Amortization	53	74
Loss on disposal of leaseholds	1	
Net change in non-cash working capital balance relating to operations	(40)	52
	(1,151)	(1,091)
Cash (used in) investment activities		
Capital projects		
Funded by the City of Edmonton in the year	(1,267)	(414)
To be funded by the City of Edmonton in the following year	(194)	(32)
Unexpended computerization project funds	21	
Leasehold additions	(217)	
	(1,657)	(446)
Cash provided by financing activities		
Advances from the City of Edmonton	2,835	1,703
Increase in obligation under capital lease	59	
	2,894	1,703
Net increase in cash during the year	86	166
Cash (deficiency), beginning of year	155	(11)
Cash, end of year	\$ 241	\$ 155

See accompanying notes

EDMONTON CONVENTION CENTRE AUTHORITY

Notes to Financial Statements

December 31, 1989

1. AUTHORITY AND ACTIVITY

On October 24, 1978, The City of Edmonton authorized the creation of The Edmonton Convention Centre Authority "The Authority". The Government of the Province of Alberta proclaimed Bills PR3 as amended by PR11 and PR14, which created The Authority as a Body Corporate. The Authority was established to develop, maintain, manage and operate a trade and convention centre for The City of Edmonton. The land, building and original equipment is owned by The City of Edmonton. Operations commenced on May 15, 1983.

The Authority and The City currently have a five year interim operating agreement extending to June 30, 1992. The Agreement states that The City of Edmonton provides funding for the Authority equal to the excess of annual expenses over revenue and costs for budgeted capital projects.

2. SIGNIFICANT ACCOUNTING POLICIES

Inventories

Inventories of food and beverage are stated at the lower of cost and replacement cost.

Fixed assets

Leasehold improvements relate to the pedway area which is occupied by the Authority's offices and retail tenants. Amortization is provided on the straight-line method over five years commencing from the date of occupancy for Authority offices and over the lease term for retail tenants and office space rentals.

Leases which transfer substantially all the benefits and risks of ownership of the leased asset to the Authority are capitalized at the present value of the payments expected to be made under the lease. Assets under capital lease are amortized on a straight-line basis over their estimated useful life.

Purchases of replacement china, glass and flatware, furniture, equipment and building renovations are included as expenditures in the current year.

3. ACCOUNTS RECEIVABLE

	1989	1988
Trade accounts receivable	\$723,418	\$558,441
Allowance for doubtful accounts	15,833	6,694
	707,585	551,747
Other	154,663	72,738
	\$862,248	\$624,485

4. INVENTORIES

Food	\$ 63,780	\$ 42,041
Beverage	66,995	43,427
	\$130,784	\$ 85,828

5. PREPAID EXPENSES AND DEPOSITS

Prepaid expenses	\$ 60,774	\$ 51,316
Deposits	9,386	19,000
	\$ 70,160	\$ 70,316

6. CAPITAL PROJECTS

These projects represent expenditures on approved capital projects incurred during the year which will be financed by The City of Edmonton in 1990.

Replace HVAC controls	\$ 5,150
Salons 8-12 renovations	188,819
	\$193,969

EDMONTON CONVENTION CENTRE AUTHORITY

Notes to Financial

Statements

— continued

December 31, 1988

7. FIXED ASSETS

	1989		1988	
	Gross Investment at cost	Accumulated amortization	Net Investment	Net Investment
Leasehold improvements	\$457,754	\$296,627	\$161,127	\$ 90,672
Assets under capital lease	102,273	8,523	93,750	
	\$560,027	\$305,150	\$254,877	\$ 90,672

8. DEPOSITS

	1989	1988
Customer deposits	\$48,071	\$41,793
Tenant deposits	1,294	3,774
	\$49,365	\$ 45,567

9. COMPUTERIZATION PROJECT

The Authority has entered into the Canada, Alberta Tourism Development Agreement (CATA) with The Edmonton Convention Tourism Authority (ECTA), and the Province of Alberta. This agreement provides that the Province and ECTA will commit funding towards computerization of systems undertaken by the Authority. Expenditures made by the Authority for hardware, software and maintenance are reduced by funding received. The total budgeted expenditures including the Authority's share are \$433,000. Total funding receipts and expenditures to date are as follows:

Receipts	
ECTA	\$124,700
Expenditures	
Software development	82,530
Lease and maintenance	11,293
Hardware	9,464
	103,287
Unexpended funds	\$ 21,413

10. COMMITMENTS

Maintenance contracts and operating leases

The Authority has commitments for maintenance contracts and operating leases of storage space. The commitments under the remaining terms of these agreements of \$360,723 are payable as follows:

1990	\$194,244
1991	56,850
1992	47,355
1993	33,640
1994	28,634
	\$360,723

Obligation under capital leases

Future minimum lease payments under capital leases expiring at various dates until 1992 amount to \$111,989 which includes interest of approximately \$21,423. The current portion of obligations under capital leases is \$31,718.

The cost of equipment under capital lease included in fixed assets is \$102,273. The amount of accumulated amortization charged with respect to this equipment is \$8,523.

11. CITY OF EDMONTON ADVANCE

The advance is non-interest bearing and has no set terms of repayment.

EDMONTON ECONOMIC DEVELOPMENT AUTHORITY

Auditors' Report

To the Members

We have examined the balance sheet of the Edmonton Economic Development Authority as at December 31, 1989 and the Economic Development Program statement of expenditures, statement of City of Edmonton funding and the Advanced Technology Development Program statement of revenue, expenditures and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Authority as at December 31, 1989 and the funds provided and expenditures of the Authority for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Edmonton, Canada
February 8, 1990

Peat Marwick Thorne
Chartered Accountants

Balance Sheet

December 31, 1989, with
comparative figures for 1988
(in thousands of dollars)

	1989	1988
Assets		
Cash — Advanced Technology Development Program	\$ 39	
Funds due from the City of Edmonton	132	60
	\$171	60
Liabilities and Surplus		
Cheques issued in excess of funds on deposit	\$ 78	50
Accounts payable and accrued charges	54	10
Surplus — Advanced Technology Development Program	39	
	\$171	60

See accompanying notes to financial statements.

EDMONTON ECONOMIC DEVELOPMENT AUTHORITY

Economic Development Program Statement of Expenditures

Year ended December 31, 1989,
with comparative figures for 1988
(in thousands of dollars)

	1989	1988
Advertising	\$ 210	264
Computer services	1	1
Consulting fees	11	13
Employee benefits	81	79
Furniture and equipment	85	80
Miscellaneous, freight and delivery	12	15
Printing, postage and stationery	229	158
Professional fees	28	3
Promotion	61	34
Salaries:		
Full time	677	655
Part time	28	6
Space rent and maintenance	91	89
Special promotion — Pacific Rim	35	
Transportation	20	23
Travel and training	83	64
Utilities	25	24
	1,828	1,508
Funds provided to date by the City of Edmonton	1,496	1,448
Funds due from the City of Edmonton	\$ 132	60

See accompanying notes to financial statements.

Statement of City of Edmonton Funding

Year ended December 31, 1989,
with comparative figures for 1988
(in thousands of dollars)

	1989	1988
City of Edmonton approved budget	\$1,880	1,637
Less applied to Advanced Technology Development Program	126	129
Applied to Economic Development Program	1,754	1,508
Expenditures for the year	1,828	1,508
Unexpended funds (note 3)	\$ 126	

See accompanying notes to financial statements.

EDMONTON ECONOMIC DEVELOPMENT AUTHORITY

Advanced Technology Development Program Statement of Revenue, Expenditures and Surplus

Year ended December 31, 1989,
with comparative figures for 1988

	1989	1988
Revenue:		
City of Edmonton	\$126	129
Government of Alberta grant	50	
Edmonton Council for Advanced Technology	4	
Interest	2	
	182	129
Expenditures:		
Benefits	2	1
Contracts	124	111
Freight and courier	1	1
Furniture and equipment	2	
Hosting	3	2
Miscellaneous	4	
Parking and transportation	3	3
Photocopying and brochure printing (recovered)	(5)	1
Postage	1	1
Special contracts	1	
Supplies	1	1
Telephone	4	4
Travel	2	4
	143	129
Excess of revenue over expenditures and surplus, end of year	\$ 39	

See accompanying notes to financial statements

Notes to Financial Statements

December 31, 1989

1. Authority:

The Edmonton Economic Development Authority ("the Authority") was created by the Edmonton Economic Development Authority Act, a Private Act of the Legislature of the Province of Alberta, in April, 1982. The City of Edmonton provides the Authority with funds which, in the opinion of the Council of the City, are necessary for the operation of the Authority.

In 1987, the Advanced Technology Development Program was set up as a special project. The City of Edmonton provides funding for the cost of management contracts and related benefits. All other expenditures are funded by other sources.

2. Significant accounting policies:

(a) Fixed assets:

The cost of fixed asset acquisitions and proceeds from fixed asset disposals are charged or credited to expenditures for the year.

(b) Statement of changes in financial position:

A statement of changes in financial position has not been prepared, as it would not provide additional information to the members.

3. Unexpended funds:

As a result of program adjustments, Economic Development Program expenditures in 1989 were less than approved budget by \$126,396. The Authority has requested that the City of Edmonton approve a carry-over of \$100,000 to 1990 for the purpose of producing a multi-language City brochure.

EDMONTON CONVENTION AND TOURISM AUTHORITY

Auditors' Report

To the Board of Directors of the Edmonton Convention and Tourism Authority:

We have examined the combined balance sheet of the Edmonton Convention and Tourism Authority as at December 31, 1989 and the statements of operations and operating surplus, capital funds and capital surplus and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these combined financial statements present fairly the financial position of the Edmonton Convention and Tourism Authority as at December 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Edmonton, Alberta
March 12, 1990

Kingston Ross Pasnak
Chartered Accountants

Combined Statement of Operations and Operating Surplus

Year ended December 31, 1989
(in thousands of dollars)

	1989	1988
REVENUE		
Tax Levy — City of Edmonton	\$1,726	\$1,546
Additional funding — City of Edmonton	145	
Incentive programs — Province of Alberta	99	70
Team tourism — Cooperative Programs	102	
Team Tourism administration	46	
Memberships	87	79
Co-operative programs, services and sales	259	194
Special opportunities	271	
Other revenue	211	236
	2,946	2,125
EXPENSES		
Salaries and benefits - Permanent	816	673
- Part time	78	67
Premises	162	131
Administrative	227	179
Marketing	1,376	732
Other Expenses	147	206
	2,806	1,988
OPERATIONS SURPLUS BEFORE EXPENDITURE OF PRIOR YEARS COMMITMENTS	140	137
EXPENDITURE OF PRIOR YEARS COMMITMENTS	96	
OPERATIONS SURPLUS BEFORE EXTRAORDINARY ITEM	44	137
EXTRAORDINARY ITEM		
Forgiveness of working capital loan — City of Edmonton		326
OPERATIONS SURPLUS	44	463
SURPLUS (DEFICIT), BEGINNING OF YEAR	148	(313)
	192	150
TRANSFER TO CAPITAL FUNDS	37	2
SURPLUS, END OF YEAR	\$ 155	\$ 148

EDMONTON CONVENTION AND TOURISM AUTHORITY

Combined Balance

Sheet

December 31, 1989 (in thousands of dollars)

	1989	1988
ASSETS		
CURRENT ASSETS		
Cash	\$149	\$226
Funds held in trust (Note 2)	225	
Accounts receivable (Note 3)	172	97
Prepaid expenses	94	81
	640	404
FIXED ASSETS (Note 4)	172	66
	\$812	\$470
LIABILITIES AND SURPLUS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$109	\$204
Deferred revenue	151	52
Team tourism trust liabilities (Note 2)	225	
	485	256
OPERATIONS SURPLUS (Note 5)	155	148
CAPITAL SURPLUS (Note 7)	172	66
	327	214
	\$812	\$470

Edmonton

Convention and

Tourism Authority

Combined Statement

of Capital Funds and

Capital Surplus

Year ended December 31, 1989
(in thousands of dollars)

	1989	1988
REVENUE		
City of Edmonton	\$105	\$30
Alberta Tourism		11
	105	41
DEPRECIATION AND AMORTIZATION	38	20
SURPLUS	66	21
CAPITAL SURPLUS, BEGINNING OF YEAR	66	43
	135	64
TRANSFER FROM CURRENT OPERATIONS	37	2
CAPITAL SURPLUS, END OF YEAR	\$172	\$66

EDMONTON CONVENTION AND TOURISM AUTHORITY

Combined Statement of Changes in Financial Position

Year ended December 31, 1989
(in thousands of dollars)
(Unaudited)

	1989	1988
OPERATING ACTIVITIES		
Operations surplus	\$ 44	\$137
Item not affecting cash flow before extraordinary item		
Gain on disposal of equipment		(1)
	44	136
Net change in non-cash working capital	(84)	62
	(40)	198
CAPITAL ACTIVITIES		
City of Edmonton capital grant	105	30
Alberta Tourism capital grant		11
Purchase of fixed assets	(142)	(43)
Proceeds from disposal of fixed assets		1
	(37)	(1)
FINANCING ACTIVITIES		
Repayment of working capital loan — City of Edmonton		(39)
CASH (REQUIRED) PROVIDED	(77)	158
CASH, BEGINNING OF YEAR	226	68
CASH, END OF YEAR	\$149	\$226

Notes to the Combined Financial Statements

December 31, 1989

1. Significant Accounting Policies

Significant accounting policies observed in the preparation of the financial statements are summarized below. These policies are in accordance with generally accepted accounting principles.

Basis of Presentation

These financial statements include the combined operations of the Edmonton Convention and Tourism Authority and The Spirit of Edmonton — Grey Cup Committee as the Authority controls and is responsible for the operations of this committee.

Fixed Assets

- i) Fixed assets purchased are recorded at cost. The Authority provides depreciation and amortization using the following methods and rates:

	Method	Rate
Furniture and fixtures	Declining balance	20%
Leasehold improvements	Straight-line	Term of Lease
Computer equipment	Declining balance	30%

- ii) Fixed assets provided by The City of Edmonton are recorded in the accounts at the nominal value of \$1. The most significant of the items are represented by Visitor Information Centres located on Highway 16 at the East and West entrances to the city.

- iii) A computer provided by Alberta Tourism has been recorded in the accounts at its fair market value of \$10,700.

Deferred Membership Revenue

Deferred membership revenue includes both revenue billed in advance and current billings for prospective members.

EDMONTON CONVENTION AND TOURISM AUTHORITY

Notes to the Combined Financial Statements — continued

December 31, 1989

2. Funds Held in Trust

\$224,895 of funds are held in trust for Alberta Tourism. These funds are to be paid to local operators meeting criteria set out by the Team Tourism program which is administered by the Authority.

3. Accounts receivable

	1989	1988
Team Tourism — Co-operative programs	\$118,794	\$
Co-operative programs and joint promotions	50,746	24,928
Other	2,299	71,830
	\$171,839	\$96,758

4. Fixed assets

	1989	1988		
	Cost	Accumulated Depreciation & Amortization	Net Book Value	Net Book Value
Furniture and fixtures	\$ 99,499	\$ 41,471	\$ 58,028	\$48,054
Leasehold improvements	64,470	51,571	12,899	2,313
Artwork	3,030		3,030	3,030
Computer equipment	121,825	23,588	98,237	12,644
	\$288,824	\$116,630	\$172,194	\$66,041

Depreciation and amortization provided for in the current year totalled \$35,979 (1988 — \$20,326).

5. Operations Surplus

The Authority's operations surplus includes the combined operations of the Edmonton Convention and Tourism Authority and the Spirit of Edmonton — Grey Cup Committee. The components of the operations surplus are:

	1989	1988
Edmonton Convention and Tourism Authority		
Uncommitted surplus	\$121,724	\$ 19,351
Committed surplus (see Note 6 Commitments)	26,000	121,424
	147,724	140,775
Spirit of Edmonton — Grey Cup Committee	6,725	6,784
	\$154,449	\$147,559

6. Commitments

Purchase Commitments

As at December 31, 1989, the Authority had issued purchase orders for goods and services which had not been received or performed as at the year end. As a result, these commitments are not reflected in the Authority's accounts. The expenditure commitments at December 31, 1989 were \$26,000.

Lease

The Authority leases its administrative office premises and downtown Visitor Information Centre from the Convention Centre Authority in the Edmonton Convention Centre. The Authority also leases space from the Government of Canada at the Edmonton International Airport. Annual rentals under agreements presently outstanding are as follows:

1990

\$15,483

EDMONTON CONVENTION AND TOURISM AUTHORITY

Notes to the Combined Financial Statements — continued

December 31, 1989

7. Capital Surplus

	1989	1988
Funded by City of Edmonton	\$322,948	\$117,788
Funded by Alberta Tourism	10,700	10,700
Funded by Edmonton Convention and Tourism Authority's Operations	55,178	18,519
Total capital funding	288,824	147,007
Accumulated depreciation charged to Capital Surplus	116,630	80,966
	\$172,194	\$ 66,041

8. Comparative Figures

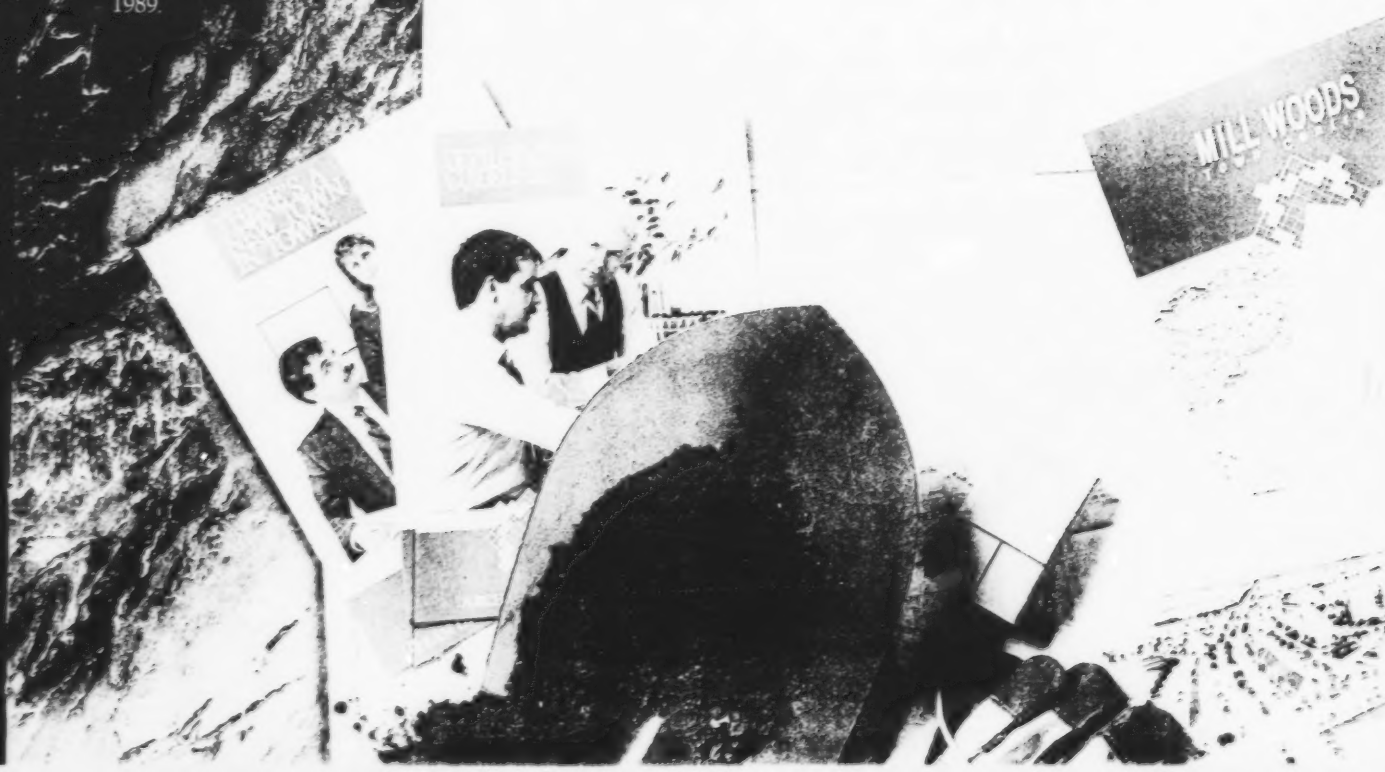
Certain of the prior year's comparative figures have been reclassified to conform with current year's presentation.



THE CITY OF EDMONTON
Special Funds Financial Statements

The largest municipally-managed land assembly project in North America, Edmonton's Mill Woods community, matured during the decade of the '80s.

Began in 1971 as a "planned community" joint development between Edmonton and the provincial government, the nine-square-mile area almost doubled its population from 37,606 in 1980 to 70,534 by the end of 1989.



1980 In an overheated economy, the City found itself busy servicing Mill Woods lots in an effort to satisfy the demand for single family residential lots.



A major objective of this work was to provide low-cost housing. **1982** With the arrival of the recession, growth in Mill Woods slowed. This was a difficult period for the new community as many anticipated services were deferred. Community

spirit and cooperation remained at a high level, however, and Edmonton homebuyers began to value Mill Woods for its assets. **1983-1984** Working together, community leagues and associations formed the Mill Woods Cultural and Recreational Facilities Association (MCARFA) and with municipal and provincial support built the Mill Woods

Recreation Centre in 1983. The Centre is one of the finest fitness and leisure centres in Edmonton, incorporating a wave pool, racquetball courts, twin ice rinks and space for cultural and social programs.

1985 As developer of the Mill Woods project, the City of Edmonton worked with builders advertising and promoting land sales. "The Neighborhoods of



Mill Woods" was a successful and memorable campaign earning a Canadian Home Builders Association award for best electronic campaign in Canada for 1985. **1986** Through the recession, Mill Woods grew as one of the few areas in Edmonton with





residential and commercial buildings. By the end of 1988, the Mill Woods land project had earned the City \$175 million.

served lots. In 1986, Mill Woods was well positioned for a resurgence in real estate sales, selling 156 single-family lots — triple the 1985 amount. **1987** The demand for single family residential lots continued; 415 were sold — triple the number sold in 1986. **1988** Long awaited services for the community were arriving. The 700-bed Grey Nuns Hospital opened to serve southeast Edmonton and adjacent rural regions



Mill Woods Towne Centre Shopping Mall opened:

the beginning of the Towne Centre complex, a community area complete with parks, institutional,

1989 Jackson Heights, the newest community, was established to cater to residents of Mill Woods who want to stay in the subdivision but “move up” to larger homes. The Mill Woods Golf Course was opened by professional tour golfer Dan Halldorson. This first-class facility is a result of continued community initiative with cooperation from



the City. Thirty per cent of net income from the course will go to the Mill Woods Community Reserve Fund.

WOODWARD'S

THE SINKING FUND OF THE CITY OF EDMONTON

Auditors' Report

Her Worship the Mayor and Council
The City of Edmonton

We have examined the balance sheet of The Sinking Fund of The City of Edmonton as at December 31, 1989 and the statements of earnings and unappropriated surplus and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Sinking Fund of The City of Edmonton as at December 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles set out in the Summary of Significant Accounting Policies applied on a basis consistent with that of the preceding year.

Edmonton, Canada
February 26, 1990

Pear Marwick Thorne
Chartered Accountants

Balance Sheet

(in thousands of dollars)

	December 31	
	1989	1988
ASSETS		
Cash	\$ 1	\$ 1
Short-term investments (note 1)	50,777	31,989
Accrued interest receivable	2,683	2,484
Due from The City of Edmonton	8	17
Deferred foreign exchange loss	54	246
Long-term investments (note 2)	92,937	71,832
	\$146,470	\$106,569
LIABILITIES, RESERVES FOR DEBT RETIREMENT AND UNAPPROPRIATED SURPLUS		
LIABILITIES		
Accounts payable	\$ 19	\$ 49
Note payable — City of Edmonton		15
	19	64
RESERVES FOR DEBT RETIREMENT:		
9¼% Series "U" due September 1, 1990	4,883	4,498
9¼% Series "W" due December 15, 1990	5,271	4,565
8¼% Series "Y" due August 4, 1991	3,473	3,190
8½% Series "AA" due May 15, 1992	5,641	5,165
8½% Series "AB" due June 15, 1992	5,619	5,144
8¼% Series "BB" due March 1, 1993	1,131	
12¼% Series "DB" due March 15, 1993	27,730	22,410
9% Series "CB" due March 1, 1994	2,517	1,964
10¼% Series "AMFC #1" due December 15, 1997	12,252	5,977
10¼% Series "AMFC #2" due November 15, 1998	6,001	
12¼% Series "EB" due June 14, 2003	9,794	7,915
11¼% Series "IB" due December 17, 2005	5,961	4,338
9¼% Series "JB" due February 26, 2007	3,231	1,576
10% Series "KB" due March 1, 2008	2,363	
9¼% Series "LB" due May 3, 2008	2,344	
Allowance for exchange costs at maturity	891	990
	99,102	67,732
UNAPPROPRIATED SURPLUS	47,349	38,773
	\$146,470	\$106,569

THE SINKING FUND OF THE CITY OF EDMONTON

Statement of Earnings and Unappropriated Surplus

(in thousands of dollars)

	Year ended December 31	
	1989	1988
Interest earnings	\$ 8,281	6,784
Amortization of discounts and premiums, net	4,366	1,869
Gain on sale of investments	523	1,020
Loss on foreign currency translation	(199)	(132)
Amortization of deferred foreign exchange loss	(112)	(231)
NET EARNINGS	12,859	9,310
Appropriation of required earnings on sinking funds	4,283	3,014
UNAPPROPRIATED EARNINGS FOR THE YEAR	8,576	6,296
Unappropriated surplus, beginning of year	38,773	32,477
UNAPPROPRIATED SURPLUS, END OF YEAR	\$47,349	38,773

Statement of Changes in Financial Position

(in thousands of dollars)

	Year ended December 31	
	1989	1988
CASH PROVIDED BY (USED FOR):		
OPERATIONS		
Net earnings	\$12,859	\$ 9,310
Items not involving cash		
Amortization of discounts and premiums, net	(4,366)	(1,869)
Gain on sale of investments	(523)	(1,020)
Loss on foreign currency translation	199	132
Amortization of deferred foreign exchange loss	112	231
	8,281	6,784
Increase in accrued interest receivable	(199)	(823)
Decrease in accounts payable	(30)	(274)
	8,052	5,687
INVESTING		
Proceeds from disposal of long-term investments	14,496	24,994
Purchase of long-term investments	(30,941)	(57,852)
	(16,445)	(32,858)
FINANCING		
Decrease in due from The City of Edmonton	9	36
Note payable to The City of Edmonton	(15)	15
Sinking Fund payments from The City of Edmonton	27,187	15,603
	27,181	15,654
INCREASE (DECREASE) IN CASH POSITION	18,788	11,517
Cash position at beginning of year	31,990	43,507
CASH POSITION AT END OF YEAR	\$50,778	\$31,990

Cash position consists of cash and short-term investments.

THE SINKING FUND OF THE CITY OF EDMONTON

Notes to Financial

Statements

Year ended December 31, 1989

GENERAL

The City of Edmonton makes annual payments into the Sinking Fund as required by each debenture issue. These funds are invested by the Sinking Fund in securities as approved by existing legislation. The annual rate of return required by the issue is allocated to meet the future debt requirements. Earnings in excess of those required are maintained within the Fund as unappropriated surplus, which may, on request of the City Council and subject to the approval of the Local Authorities Board, be used for such purposes as approved by the Board.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Amortization of discounts and premiums

Purchase discounts and premiums on the long-term investments are amortized on the present value basis over the term of the issue.

Foreign exchange translation

Reserves for debt retirement and investments are translated at the current exchange rate. The gain or loss on translation is deferred and amortized over the term of the issue.

1. SHORT-TERM INVESTMENTS

Short-term investments are recorded at cost.

	1989	1988
The City of Edmonton	\$ 3,290,000	\$
Commercial Paper	47,487,425	31,988,540
	\$50,777,425	31,988,540

2. LONG-TERM INVESTMENTS

Long-term investments are recorded at amortized cost.

	Market Value		Amortized Cost	
	1989	1988	1989	1988
The City of Edmonton				
Debentures	\$ 8,519,823	\$ 9,131,071	\$ 8,669,628	\$ 9,387,549
Government of Canada:				
Bonds	25,261,432	30,705,369	24,788,562	31,545,992
Coupons and Residuals	48,025,877	29,837,402	48,109,256	30,898,594
Treasury Bills	11,350,066		11,369,393	
	\$93,157,198	\$69,673,842	\$92,936,839	\$71,832,135

3. RELATED PARTY TRANSACTIONS

During the year, short term loans were received from and advanced to The Pension Fund of The City of Edmonton and The Reserves Fund of The City of Edmonton under an agreement requiring payment of interest at commercial rates. As at December 31, 1989 the loans were repaid and net interest of \$4,214 was paid to the Pension Fund and \$13,493 was received from the Reserves Fund.

Interest earned during the year on short-term and long-term investments with The City of Edmonton amounted to \$211,401 and \$672,520 respectively.

THE RESERVES FUND OF THE CITY OF EDMONTON

Auditors' Report

Her Worship the Mayor and Council
The City of Edmonton

We have examined the balance sheet of The Reserves Fund of The City of Edmonton as at December 31, 1989 and the statements of earnings, reserve deposits and equity, and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Reserves Fund of The City of Edmonton as at December 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Edmonton, Canada
February 26, 1990

Peat Marwick Thorne
Chartered Accountants

Balance Sheet

(in thousands of dollars)

	December 31	
	1989	1988
ASSETS		
Cash	\$ 3	\$ 6
Short-term investments (note 1)	10,457	22,304
Accrued interest receivable	1,163	1,102
Accounts receivable	3	5
Due from The City of Edmonton	702	881
Loan receivable — City of Edmonton (note 2)	13,360	
Long-term investments (note 3)	30,223	23,673
	55,911	47,971
LIABILITIES, RESERVE DEPOSITS AND EQUITY		
Accounts payable	\$ 2	\$ 10
RESERVE DEPOSITS	23,658	20,228
THE CITY OF EDMONTON EQUITY	32,251	27,733
	\$55,911	47,971

THE RESERVES FUND OF THE CITY OF EDMONTON

Statement of

Earnings

(in thousands of dollars)

	Year ended December 31	
	1989	1988
Earnings:		
Interest earned	\$5,244	\$4,231
Net amortization of discounts and premiums (note 4)	(49)	(56)
Gain (loss) on disposal of bonds and debentures	(54)	81
	5,141	4,256
Expenses:		
Other	4	13
Trustee honorariums	3	1
	7	14
NET EARNINGS	\$5,134	\$4,242

Statement of Reserve

Deposits and Equity

(in thousands of dollars)

	December 31, 1988	Deposits	Net Earnings	Withdrawals	Adjustment to Market	December 31, 1989
RESERVE DEPOSITS						
Cemetery Perpetual Care	\$ 1,621	\$ 51	\$ 158	\$143	\$	\$ 1,687
Edmonton Creche and Day Nursery	3			3		
Parkland Reserve Trust	1,152	720	108			1,980
Self-Insurance	15,793	26	1,632	156		17,295
Motor Vehicles	250		26	26		250
Universiade "83" Trust Fund	1,409		146			1,555
Long-term Disability Trust Fund		858	33			891
	20,228	1,655	2,103	328		23,658
THE CITY OF EDMONTON EQUITY	27,733		3,031		1,487	32,251
	\$47,961	\$1,655	\$5,134	\$328	\$1,487	\$55,909

THE RESERVES FUND OF THE CITY OF EDMONTON

Statement of Changes in Financial Position

(in thousands of dollars)

	Year ended December 31	
	1989	1988
CASH PROVIDED BY (USED FOR):		
OPERATIONS:		
Net earnings	\$ 5,134	\$ 4,242
Items not involving cash		
Loss (gain) on disposal of bonds and debentures	\$ 54	(81)
Amortization of discounts and premiums	49	56
	5,237	4,217
Increase in accrued interest	(61)	(148)
Decrease in accounts receivable	2	
Increase (decrease) in accounts payable	(8)	4
	5,170	4,073
INVESTING		
Loan receivable — City of Edmonton	(13,360)	
Proceeds from disposal of bonds and debentures	5,076	11,213
Purchase of bonds and debentures	(10,242)	(16,690)
	(18,526)	(5,477)
FINANCING		
(Increase) decrease in due from The City of Edmonton	179	(1,602)
Net deposits to reserves	1,327	2,198
	1,506	596
DECREASE IN CASH POSITION	(11,850)	(808)
Cash position at beginning of year	22,310	23,118
CASH POSITION AT END OF YEAR	\$10,460	\$22,310

Cash position is defined as cash and short-term investments.

THE RESERVES FUND OF THE CITY OF EDMONTON

Notes to Financial Statements

Year ended December 31, 1989

GENERAL

The City of Edmonton maintains the Reserves Fund to finance the specified activities summarized on the Statement of Reserve Deposits and Equity.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Amortization of premiums and discounts

Purchase premiums and discounts on long-term investments are amortized on the present value basis over the term of the issue.

Distribution of net earnings

Net earnings are distributed to reserve deposits and The City of Edmonton equity account based on their weighted average proportionate share of the total assets.

1. SHORT-TERM INVESTMENTS

Short-term investments are recorded at cost

	1989	1988
The City of Edmonton	\$ 1,535,000	\$ 355,000
Commercial paper	8,921,935	21,948,945
	\$10,456,935	\$22,303,945

2. LOAN RECEIVABLE — CITY OF EDMONTON

On May 9, 1989, The City of Edmonton Council approved the purchase of sanitary and storm sewer facilities at a cost of \$13,479,331, financed from the General Surplus of the Reserves Fund. The rate of interest accrued on this loan in 1989 was equal to the Reserves Fund rate of earnings. Commencing January 1, 1990, this loan will earn interest annually at the lesser of the construction price index or prime plus 1%. The loan is being repaid from annual recoveries from the development industry. A recovery of \$939,994 was credited to this account in 1989.

3. LONG-TERM INVESTMENTS

Long-term investments are recorded on an aggregate basis at the lower of cost and market value. Any adjustment required is applied directly to The City of Edmonton equity account.

	Market Value		Amortized Cost	
	1989	1988	1989	1988
Government of Canada	\$28,643,582	\$20,976,449	\$28,620,023	\$22,313,826
The City of Edmonton	1,579,488	2,696,462	1,640,952	2,884,011
TOTAL	\$30,223,070	\$23,672,911	\$30,260,975	\$25,197,837

Amortized cost represents historical cost adjusted for amortization of purchase premiums and discounts.

4. CHANGE IN ACCOUNTING PRACTICE

During 1989, the Reserves Fund changed its method of amortizing purchase premiums and discounts on long-term investments from the straight-line method to the present value method. This change was not made retroactively because the impact on the prior year was not significant.

5. RELATED PARTY TRANSACTIONS

During the year, short-term loans were received from and advanced to The Pension Fund of The City of Edmonton and The Sinking Fund of The City of Edmonton under an agreement requiring payment of interest at commercial rates. As at December 31, 1989 the loans were repaid and net interest of \$13,595 was paid to the Pension Fund and \$13,493 to the Sinking Fund.

Interest earned during the year on short-term investments with The City of Edmonton amounted to \$89,438.

THE PENSION FUND OF THE CITY OF EDMONTON

Auditors' Report

Her Worship the Mayor and Council
The City of Edmonton

We have examined the statements of net assets of The Pension Fund of The City of Edmonton which is comprised of the Pension Investment Fund and its member funds, the Annuity Fund, Police Supplementary Pension Fund, Fire Supplementary Pension Fund, The City of Edmonton Supplementary Pension Plan for Employees in the Position of Fire Chief and Deputy Fire Chief, Group Life Insurance Fund and Pension Plan for R.F. Lunney as at December 31, 1989 and the statements of changes in net assets for each of the funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Pension Fund of The City of Edmonton as at December 31, 1989 and the changes in its net assets for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Edmonton, Canada
February 26, 1990

Peat Marwick Thorne
Chartered Accountants

Pension Investment Fund Statement of Net Assets

(in thousands of dollars)

	December 31	
	1989	1988
ASSETS		
Cash	\$ 3	\$ 6
Short-term investments (note 1)	5,469	13,004
Accrued interest receivable	697	448
Accounts receivable	49	41
Long-term investments (note 2)	29,007	17,361
	35,225	30,860
LIABILITIES		
Accounts payable	247	563
NET ASSETS	\$34,978	\$30,297

THE PENSION FUND OF THE CITY OF EDMONTON

Pension Investment Fund Statement of Changes in Net Assets

(in thousands of dollars)

	Year ended December 31	
	1989	1988
INVESTMENT INCOME		
Interest from short-term investments (net)	\$ 1,186	\$ 622
Bonds and debentures		
Interest	1,609	1,215
Capital appreciation	593	159
Common and preferred shares		
Dividends	209	301
Capital appreciation	669	745
Mortgages		
Interest	8	13
Capital appreciation	3	5
Mortgage fees	(1)	(1)
	4,276	3,059
INVESTMENT EXPENSES		
Investment counselling fees	70	65
Administration	13	26
	83	91
NET INVESTMENT INCOME	4,193	2,968
NET CASH INFLOW (OUTFLOW) OF MEMBER FUNDS		
Annuity Fund	\$ (447)	(468)
Police Supplementary Pension Fund	(111)	(112)
Fire Supplementary Pension Fund	1,076	1,288
Fire Chief/Deputy Fire Chief Supplementary Pension Fund	2	1
Group Life Insurance Fund	(1)	
Pension Plan for R.F. Lunney	(31)	103
	488	812
INCREASE IN NET ASSETS	4,681	3,780
Net assets at beginning of year	30,297	26,517
NET ASSETS AT END OF YEAR	\$34,978	\$30,297

THE PENSION FUND OF THE CITY OF EDMONTON

Annuity Fund

Statement of Net

Assets

(in thousands of dollars)

	December 31	
	1989	1988
Units of Pension Investment Fund (note 3)	\$3,676	\$3,656
Accounts receivable	1	
NET ASSETS	\$3,677	\$3,656

Annuity Fund

Statement of Changes

in Net Assets

(in thousands of dollars)

	Year ended December 31	
	1989	1988
INCREASE IN ASSETS		
Allocation of net investment income of the Pension Investment Fund	\$ 468	\$ 394
DECREASE IN ASSETS		
Pension payments	447	468
INCREASE (DECREASE) IN NET ASSETS	21	(74)
Net assets at beginning of year	3,656	3,730
NET ASSETS AT END OF YEAR	\$3,677	\$3,656

THE PENSION FUND OF THE CITY OF EDMONTON

Police Supplementary Pension Fund Statement of Net Assets

(in thousands of dollars)

	December 31	
	1989	1988
Units of Pension Investment Fund (note 3)	\$2,485	\$2,381

Police Supplementary Pension Fund Statement of Changes in Net Assets

(in thousands of dollars)

	Year ended December 31	
	1989	1988
INCREASE IN ASSETS		
Allocation of net investment income of the Pension Investment Fund	\$ 315	\$ 245
DECREASE IN ASSETS		
Pension payments	111	112
INCREASE IN NET ASSETS	204	133
Net assets at beginning of year	2,381	2,248
NET ASSETS AT END OF YEAR	\$2,585	\$2,381

THE PENSION FUND OF THE CITY OF EDMONTON

Fire Supplementary

Pension Fund

Statement of Net

Assets

(in thousands of dollars)

	December 31	
	1989	1988
Units of Pension Investment Fund (note 3)	\$28,511	\$24,052
Contributions receivable	47	43
NET ASSETS	\$28,558	\$24,095

Fire Supplementary

Pension Fund

Statement of Changes

in Net Assets

(in thousands of dollars)

	Year ended December 31	
	1989	1988
INCREASE IN ASSETS		
Contributions:		
Employees	\$ 520	\$ 439
The City of Edmonton	1,614	1,827
	2,134	2,266
Allocation of net investment income of the Pension Investment Fund	3,384	2,314
	5,518	4,580
DECREASE IN ASSETS		
Pension payments	1,050	922
Withdrawals of contributions	5	13
	1,055	935
INCREASE IN NET ASSETS	4,463	3,645
Net assets at beginning of year	24,095	20,450
NET ASSETS AT END OF YEAR	\$28,558	\$24,095

THE PENSION FUND OF THE CITY OF EDMONTON

The City of
Edmonton
Supplementary
Pension Plan for
Employees in the
Position of Fire Chief
and Deputy Fire
Chief Statement of
Net Assets

(in thousands of dollars)

	December 31	
	1989	1988
ASSETS		
Units of Pension Investment Fund (note 3)	\$36	\$29
Contributions receivable		1
	36	30
LIABILITIES		
Accounts payable	10	
NET ASSETS	\$26	\$30

The City of
Edmonton
Supplementary
Pension Plan for
Employees in the
Position of Fire Chief
and Deputy Fire
Chief Statement of
Changes in Net Assets

(in thousands of dollars)

	Year ended December 31	
	1989	1988
INCREASE IN ASSETS		
Contributions	\$ 2	\$ 2
Employees	4	4
The City of Edmonton	6	6
Allocation of net investment income of the Pension Investment Fund	4	3
	10	9
DECREASE IN ASSETS		
Pension payments	14	4
INCREASE (DECREASE) IN NET ASSETS	(4)	5
Net assets at beginning of year	30	25
NET ASSETS AT END OF YEAR	\$26	\$30

THE PENSION FUND OF THE CITY OF EDMONTON

Group Life Insurance Fund Statement of Net Assets

	December 31	
	1989	1988
Units of Pension Investment Fund (note 3)	\$78	\$70

(in thousands of dollars)

Group Life Insurance Fund Statement of Changes in Net Assets

	Year ended December 31	
	1989	1988
INCREASE IN ASSETS		
Allocation of net investment of the Pension Investment Fund	\$ 9	\$ 7
DECREASE IN ASSETS		
Life Insurance Benefits paid	1	
INCREASE IN NET ASSETS	8	7
Net assets at beginning of year	70	63
NET ASSETS AT END OF YEAR	\$78	\$70

(in thousands of dollars)

THE PENSION FUND OF THE CITY OF EDMONTON

Pension Plan for R.F. Lunney Statement of Net Assets

(in thousands of dollars)

	December 31	
	1989	1988
Units of Pension Investment Fund (note 3)	\$91	\$109

Pension Plan for R.F. Lunney Statement of Changes in Net Assets

(in thousands of dollars)

	Year ended December 31	
	1989	1988
INCREASE IN ASSETS		
Contributions — The City of Edmonton	\$	\$161
Allocation of net investment income of the Pension Investment Fund	13	6
	13	167
DECREASE IN ASSETS		
Pension payments	31	57
Administrative expenses		1
	31	58
INCREASE (DECREASE) IN NET ASSETS	(18)	109
Net assets at beginning of year	109	
NET ASSETS AT END OF YEAR	\$91	\$109

THE PENSION FUND OF THE CITY OF EDMONTON

Notes to Financial

Statements

Year ended December 31, 1989

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

These financial statements are prepared on a unitized basis and present only the position of the net assets under the control of Trustees of The City of Edmonton Pension Fund, independent of The City of Edmonton and plan members. They do not reflect the funding requirements of the plans or the benefit security of individual participants.

Units of the Pension Investment Fund were allocated to certain member funds in proportion to their interest in the Pension Investment Fund as of January 1, 1972 (the starting date for the unitization process) at an initial value of \$10 per unit. Subsequently, units have been allocated quarterly to member funds based on their respective cash flows at a unit value calculated by reference to the market value of the net assets of the Pension Investment Fund and the number of units outstanding.

1. SHORT-TERM INVESTMENTS

Short-term investments are recorded at cost.

	1989	1988
The City of Edmonton	\$ 175,000	\$ 330,000
Commercial paper	5,294,415	12,673,740
	\$5,469,415	\$13,003,740

2. LONG-TERM INVESTMENTS

Long-term investments are recorded at market value.

	MARKET VALUE		COST	
	1989	1988	1989	1988
Bonds	\$17,814,104	\$11,724,673	\$17,528,323	\$11,888,592
Common Shares	6,520,657	5,491,632	6,329,473	5,730,725
Treasury Bills	4,587,650		4,491,750	
Mortgages	84,218	144,823	50,246	85,151
	\$29,006,629	\$17,361,128	\$28,399,792	\$17,704,468

THE PENSION FUND OF THE CITY OF EDMONTON

Notes to Financial

Statements

— continued

Year ended December 31, 1989

3. UNITS OF PENSION INVESTMENT FUND

The units of the Pension Investment Fund held by member funds and the respective share of Pension Investment Fund net assets represented by these units at December 31, 1989 (value per unit \$55.893389) and 1988 (value per unit \$49.231090) are as follows:

	Units		Amount	
	1989	1988	1989	1988
Annuity Fund	65,784.59	74,254.18	\$ 3,676,924	\$ 3,655,614
Police Supplementary Pension Fund	46,239.38	48,353.42	2,584,476	2,380,492
Fire Supplementary Pension Fund	510,095.21	488,547.79	28,510,950	24,051,740
Fire Chief & Deputy Fire Chief Supplementary Pension Fund	644.59	608.62	36,028	29,963
Group Life Insurance Fund	1,399.95	1,421.65	78,248	69,989
Pension Plan for R.F. Lunney	1,627.34	2,209.15	90,957	108,759
	625,791.06	615,394.81	\$34,977,583	\$30,296,557

4. ACTUARIAL SURPLUSES AND DEFICIENCIES

a) Annuity Fund

An actuarial valuation as of December 31, 1986 disclosed an actuarial surplus of \$1,349,200. The disposition of this balance is under review. Actuarial valuation as of December 31, 1989 will be completed in 1990.

b) Police Supplementary Pension Fund

An actuarial valuation performed as of December 31, 1986 disclosed an actuarial surplus of \$164,800. The disposition of this balance is under review. Actuarial valuation as of December 31, 1989 will be completed in 1990.

c) Fire Supplementary Pension Fund

Based on an actuarial valuation as of December 31, 1986, the Fire Supplementary Pension Fund had an aggregate unfunded liability amounting to approximately \$9,500,000. This amount is being funded through annual special payments of \$1,100,000. Actuarial valuation as of December 31, 1989 will be completed in 1990.

d) Fire Chief and Deputy Fire Chief Supplementary Pension Fund

An actuarial valuation as of December 31, 1986 disclosed an unfunded liability of approximately \$324,000. The funding of this balance is under review at this date. Actuarial valuation as of December 31, 1989 will be completed in 1990.

e) Group Life Insurance Fund

As of December 31, 1989, an amount of \$1,417 was determined to be the amount required to pay future beneficiaries from this fund. The net assets of the Group Life Insurance Fund as of December 31, 1989 amounted to \$78,248 indicating an excess in this fund of \$76,831.

f) Pension Plan for R.L. Lunney

As of May 1, 1988, an amount of approximately \$161,000 was determined to be required to fully fund the pension benefits.

5. RELATED PARTY TRANSACTIONS

During the year, short-term loans were received from and advanced to The Reserves Fund of The City of Edmonton and The Sinking Fund of The City of Edmonton under an agreement requiring payment of interest at commercial rates. As at December 31, 1989 the loans were repaid and Net Interest of \$13,595 was received from the Reserves Fund and \$4,214 from the Sinking Fund.

Interest earned during the year on short-term investments with The City of Edmonton amounted to \$116,013.



THE CITY OF EDMONTON
Boards Financial Statements

...information
...of
...and
...reference
service and programs for
adults, children, young
adults and seniors.

The Edmonton Public
Library is, on a per resi-
dent basis, the busiest
library in Canada with
more than 12,000,000
library transactions in
1989, a 164% increase
from 1980 to 1989.

...elcome to
...the Edmonton
Public Library



1980 By computerizing the circulation and cataloging systems to allow for a more efficient distribution



of materials, the Library experienced a 24 per cent increase in circulation. **1981** The Collection Management Fund, used to purchase materials for the



whole Library system, provided budget for an upgrade of the young adult paperback and record collections, resulting in an increased circulation in juvenile-oriented materials. **1982** A

branch opened in Mill

Woods and total circulation of Library items passed the five million

mark. **1983** A milestone was reached when annual circulation grew to 6.6 million, the highest recorded

in a Canadian library. **1984** Renovations began on the historic Strathcona branch, the first library built in Edmonton, in 1913.

1985 In celebration of International Youth Year, the Edmonton Public Library organized an art exhibit entitled "Youth '85" and reading tour with teenage award-winning novelist Lee J. Hindle. For the third



year in a row, the Edmonton Public Library was the busiest in Canada and had to update computer systems to accommodate the 7.7 million annual

Welcome to the Edmonton Public Library

DAVID Daydreamin' on a rainy day

CTW SESAME STREET

MONICA HUGHES THE RE

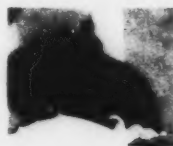
R U REND



circulation. **1986** Twenty-eight staff members worked on an ambitious Library collection upgrading, involving an estimated 15,600 individual titles and costing \$200,000. **1987** The long awaited DataRadio link between the bookmobile and the computer system in the Centennial Library was installed in 1987, providing access to patron information and enabling fines to be processed more efficiently. **1988** The Library celebrated its

75th anniversary and introduced a new mascot, E.P. Lynx, who participates in many city activities, encouraging both young and old to visit their local library. **1989** The Library, in conjunction with the

Writers Guild of Alberta, hosted a cultural exchange between Canada and the USSR. A



reading and reception were held for several Soviet poets and novelists. Future prospects include an automated online catalogue and FAX



linkups between branches to assist patrons in finding resources more quickly and efficiently.



BOARDS

Edmonton Northlands

Edmonton Northlands, formerly The Edmonton Exhibition Association Limited, is a nonprofit company incorporated under the Laws of Alberta, it has authorized 300 shares and issued 232 shares. No dividends or profits shall be paid to any of the shareholders of the company.

Because The City of Edmonton owns the land on which the Edmonton Northlands properties are situated, all buildings and improvements situated thereon are the properties of The City of Edmonton.

The Edmonton Public Library Board

The Edmonton Public Library Board operates under the Libraries Act (Provincial Statute). The Board consists of nine members of whom one is an Alderman. The Board exercises general management, regulations and control of the Library.

The City of Edmonton uses taxes to provide operating funds and as required, with the approval of the Local Authorities Board, borrows money to finance capital expenditures. The City's financial statements reflect the operations of the Library.

Royal Alexandra Hospital

The Royal Alexandra Hospital Board consists of the Mayor and three Aldermen.

As The City of Edmonton owns the land on which the hospital is situated, all buildings and improvements are the property of the City. The City, with the approval of the Local Authorities Board, borrows funds for capital programs.

The City's financial statements only include the assets of the Royal Alexandra Hospital equivalent to the outstanding debenture borrowings. All debt servicing is recovered from the Provincial Government.

The Edmonton School District No. 7

The Edmonton R.C. Separate School District No. 7

School administration is completely independent from the City Council and subject to control by the Provincial Government pursuant to the provisions of the School Act.

The School Boards establish their own budgets for current and capital expenditures and have the power with the approval of the Local Authorities Board to borrow money.

The only relationship between these two boards and The City of Edmonton is that the City is obligated to provide funds raised by taxes deemed necessary by the School Boards.

Auditors' Report

To the Members of Edmonton Northlands:

We have examined the balance sheet of Edmonton Northlands as at September 30, 1989 and the statements of reinvested earnings, income and cash flows for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of Edmonton Northlands as at September 30, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Edmonton, Canada
November 10, 1989

Ernst & Young
Chartered Accountants

EDMONTON NORTHLANDS

Statement of Income for the year ended September 30, 1989

(with comparative figures
for 1988)
(in thousands of dollars)

	Revenue		Direct Expenses		Operating Income (Loss)	
	1989	1988	1989	1988	1989	1988
Facilities	\$ 9,808	\$10,397	\$ 9,338	\$ 9,085	\$ 470	\$1,312
Concessions	4,421	4,476	3,491	3,262	930	1,214
Lounges and dining facilities	5,556	5,679	4,699	4,781	857	898
Agriculture	254	239	1,078	1,023	(824)	(784)
Rodeos	686	672	843	818	(157)	(146)
Thoroughbred racing	6,404	6,263	6,343	6,067	61	196
Harness racing	6,831	6,631	6,637	6,394	194	237
Klondike Days	6,202	5,508	5,311	4,773	891	735
Northlands programs and events	537	600	447	434	90	166
Trade shows and World Trade Center	513	440	1,125	1,018	(612)	(578)
Advertising, signage and sponsorship	1,615	1,179	494	512	1,121	667
	42,827	42,084	39,806	38,167	3,021	3,917
Less internal rental revenue and expenses	(2,792)	(2,662)	(2,792)	(2,662)		
	\$40,035	\$39,422	\$37,014	\$35,505	3,021	3,917
Indirect expenses, depreciation and amortization						
Administration					1,991	1,949
Interest (Note 6)					2,027	1,627
Contributions to other groups					109	115
Corporate relations					353	335
Depreciation					3,861	3,363
Amortization of contributions for expansion of facilities and capital debt retirement					(2,235)	(2,033)
					6,106	5,356
Operating loss					(3,085)	(1,439)
Province of Alberta - Grants and contributions					1,112	1,072
- Lotteries (Note 7)					500	500
					1,612	1,572
Net income (loss)					\$ (1,473)	\$ 133

(The accompanying notes are an integral part of the financial statements)

EDMONTON NORTHLANDS (Incorporated under the laws of Alberta)

Balance Sheet

September 30, 1989
(with comparative figures at
September 30, 1988)
(in thousands of dollars)

	1989	1988
ASSETS		
Current		
Cash and term deposits	\$ 3,044	\$ 53
Accounts receivable	1,042	916
Due from Province of Alberta	402	792
Inventories	405	443
Prepaid expenses	226	306
Total current assets	5,119	2,510
Deposit for investment in racing program operation (Note 2)	548	306
Fixed assets (Note 3)	82,947	83,546
	\$88,614	\$86,422

(The accompanying notes are an integral part of the financial statements)

	1989	1988
LIABILITIES AND EQUITY		
Current:		
Accounts payable and accrued charges	\$ 4,551	\$ 6,269
Funds held for others	2,290	1,369
Accrued interest on long-term debt	433	445
Long-term debt due within one year (Note 4)	1,754	1,387
Total current liabilities	9,028	9,470
Long-term debt (Note 4)	16,401	14,912
Deferred revenue	2,053	1,700
Contributions for expansion of facilities and capital debt retirement (Note 5)	56,162	53,897
Equity:		
Capital —		
Authorized: 300 shares of \$5 each		
Issued: 232 shares	1	1
Reinvested earnings	4,969	6,442
	4,970	6,443
	\$88,614	\$86,422

(The accompanying notes are an integral part of the financial statements)

**Statement of Cash
Flows for the year
ended September 30,
1989**

(with comparative figures for
1988: (in thousands of dollars))

	1989	1988
Cash provided by (used in) operating activities		
Net Income (loss) for the year	\$ (1,473)	\$ 133
Add (deduct) amounts not involving a current cash receipt or payment		
Depreciation	3,361	3,363
Amortization of contributions	(2,235)	(2,031)
Amortization of deferred revenue	(409)	(177)
Increase in deferred revenue	762	473
Net change in non-cash working capital balances related to operations	946	(162)
Cash provided by operating activities	1,452	1,597
Cash used in investment activities		
Additions to fixed assets	(3,263)	(7,927)
Deposit for investment in racing program operation	(182)	(122)
Cash used in investment activities	(3,445)	(8,049)
Cash provided by (used in) financing activities		
Long-term bank borrowing	3,500	
Repayment of long-term debt	(1,644)	(1,597)
Capital contributions — Province of Alberta		
Lotteries (Note 7)	4,500	4,500
Net change in non-cash working capital balances related to financing activities	(1,372)	(200)
Cash provided by financing activities	4,984	2,703
Net increase (decrease) in cash during the year	2,991	(3,749)
Cash position at beginning of year	53	3,802
Cash position at end of year	\$ 3,044	\$ 53

(The accompanying notes are an integral part of the financial statements)

**Statement of
Reinvested Earnings
for the year ended
September 30, 1989**

(with comparative figures for
1988: (in thousands of dollars))

	1989	1988
Reinvested earnings, beginning of year	\$ 6,442	\$ 6,309
Net income (loss) for the year	(1,473)	133
Reinvested earnings, end of year	\$ 4,969	\$ 6,442

(The accompanying notes are an integral part of the financial statements)

Notes to Financial Statements

September 30, 1989

Introduction

Edmonton Northlands, formerly The Edmonton Exhibition Association Limited which was incorporated in 1908, is the successor to The Edmonton Agricultural Society of 1879 and The Edmonton Industrial Exhibition Association of 1899. Its purpose is to provide programs and facilities to benefit the residents of Northern Alberta in the fields of Agriculture, Trade Shows and Exhibitions, Entertainment and Community Service. The Company's 232 members, along with associate directors and other volunteers, provide the impetus and volunteer assistance that enables it to achieve its objectives. The Company is exempt from income tax, it cannot pay dividends to its members, the shares cannot appreciate in value and its members and directors do not receive any fee for their services. Reinvested earnings of the Company are invested in its facilities.

The Company is qualified under the provisions of the Alberta Agriculture Societies Act and receives substantial funding assistance from the Province of Alberta by way of grants, loan guarantees and lotteries. Assistance has also been received from the Government of Canada by way of grants and loans, and from the City of Edmonton, primarily for land acquisition.

The land on which the Company's facilities are located is held in the name of the City of Edmonton and leased to the Company for a rent of \$1.00 per year under a lease which expires in 2019. At the expiration or earlier termination of the lease, the buildings and improvements on the leased lands will revert to the City of Edmonton. Provided that the company is in good standing, the City shall grant a renewal lease for a further term of 30 years at a cost, and upon other terms and conditions, to be agreed upon by the parties.

1. Summary of significant accounting policies

The financial statements of the Company have been prepared by management in accordance with generally accepted accounting principles described in this note which have been consistently applied. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgement in light of the information available up to November 10, 1989. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

Fixed assets and depreciation

Fixed assets are recorded at cost and, except for land and properties acquired for future expansion, are depreciated on the straight-line basis over the estimated useful lives of the assets as set out below.

Assets	Useful life
Coliseum and AgriCom	50 years
Other buildings and improvements	25 years
Equipment	3 to 15 years

Depreciation is not recorded on construction in progress until such time as the assets are substantially complete.

Interest on borrowings in respect of capital projects is expensed, except where carrying costs form an integral part of construction contracts.

Inventories

Inventories are valued at the lower of cost and net realizable value.

Grants and contributions

Grants and contributions are recognized at the earliest of the date of commitment by the grantor or upon receipt by the Company. Amounts designated for capital purposes, including the acquisition of property for expansion, construction of facilities or retirement of capital debt, are credited to "Contributions for expansion of facilities and capital debt retirement" and are amortized into income each year on the same basis as the related assets are depreciated. Amounts designated for capital purposes which are used to pay interest on capital debt are applied to reduce interest costs. Other grants and contributions not specifically designated for capital purposes are included in income.

EDMONTON NORTHLANDS

Notes to Financial

Statements

— continued

September 30, 1989

Deferred revenues

Revenues received which relate to future periods are deferred and brought into income over the term of the related agreements.

Revenue and expenses

The revenue and expenses recorded in these statements reflect only the amounts actually attributable to the Company. Amounts received or disbursed on behalf of third parties are not reflected.

Internal rental revenue and expenses represent inter-departmental charges for services provided and used between the departments. These charges are determined by management to reflect external market rates and are applied on a basis consistent with the previous year.

2. Agreement to acquire racing program operation

In 1986 Edmonton Northlands entered into an agreement to acquire, in 1991, the shares of the company which produces and supplies the thoroughbred and harness racing programs to Northlands. The purchase price is based on program sales for the five year period 1986 to 1990. The obligation up to September 30, 1989 amounts to \$547,971 (1988 — \$366,303) which has been placed in trust. In 1987, subsequent to entering into the agreement, the controlling shareholder of this company became an employee of Northlands. Provisions are included in the employment contract to deal with situations where a conflict of interest could arise relative to this matter.

3. Fixed assets

The details of fixed assets at September 30, are as follows:

	1989		1988	
	Cost	Accumulated depreciation	Net book value	Net book value
Coliseum	\$27,884,512	\$ 9,408,554	\$18,194,958	\$14,345,128
AgriCom	38,800,967	4,684,061	34,196,906	34,893,150
Other buildings and improvements	28,712,420	15,705,811	13,006,609	12,382,352
Equipment	12,928,995	4,777,121	8,149,874	7,843,928
Properties acquired for future expansion	9,069,995		9,069,995	8,825,552
Construction in progress	328,568		328,568	5,255,334
	\$117,583,477	\$34,556,547	\$82,946,930	\$83,545,444

EDMONTON NORTHLANDS

Notes to Financial

Statements

— continued

September 30, 1989

4. Long-term debt

	1989	1988
Government of Canada loan due December 31, 2004, interest rate 8.595%, annual instalments of \$469,324 principal and interest	\$ 3,999,900	\$ 4,115,500
Government of Canada loan due December 31, 2004, interest rate 9.025%, annual instalments of \$311,662 principal and interest	2,586,700	2,658,500
Term bank loan for the AgriCom due April 30, 1999 interest at prime payable monthly, annual principal instalments of \$1,200,000 (includes \$7,743,800 in Bankers' Acceptances at September 30, 1989 and \$9,500,000 at September 30, 1988)	8,062,000	9,525,000
Term bank loan for Coliseum improvements due December 31, 1999, interest at prime payable monthly, annual principal instalments of \$350,000	3,500,000	
	18,155,400	16,299,000
Less amounts due within one year	1,753,700	1,387,400
	\$16,401,700	\$14,911,600

The Government of Canada loans are secured by guarantees of the Government of the Province of Alberta.

As general collateral for the bank loans the bank holds a registered assignment of book debts. As specific collateral for the term bank loan for the AgriCom, the bank holds a guarantee of the Government of the Province of Alberta, and assignment of the Company's Lottery receipts. The company has requested a guarantee of the Government of the Province of Alberta which is required as collateral security by the bank for the term bank loan for Coliseum improvements.

Principal payments required over the next five years are as follows: 1990 — \$1,753,700; 1991 — \$1,771,500; 1992 — \$1,791,000; 1993 — \$1,812,100; 1994 — \$1,835,100.

5. Contributions for expansion of facilities and capital debt retirement

Accumulated contributions received less amounts amortized are summarized as follows:

	1989	1988
Grants and contributions:		
Province of Alberta — Lotteries (Note 7)	\$35,426,111	\$30,926,111
Province of Alberta — Other	26,286,253	26,286,253
Government of Canada	9,100,000	9,100,000
City of Edmonton	3,700,000	3,700,000
Total grants and contributions received	74,512,364	70,012,364
Accumulated amortization	18,350,382	16,115,704
Unamortized grants and contributions	\$56,161,982	\$53,896,660

EDMONTON NORTHLANDS

Notes to Financial

Statement

— continued

September 30, 1989

These contributions have been used to finance the acquisition of fixed assets as follows:

	1989		1988	
	Total contributions	Unamortized amount	Total contributions	Unamortized amount
Coliseum	\$16,848,988	\$11,376,272	\$16,032,786	\$11,090,987
AgriCom	30,329,739	27,198,338	28,512,191	25,949,866
Other buildings and improvements	14,235,848	8,784,188	14,174,678	9,224,696
Equipment	7,811,320	3,381,983	6,205,900	2,544,302
Properties acquired for future expansion	5,489,297	5,489,297	5,086,809	5,086,809
	\$74,512,364	\$58,161,982	\$70,012,364	\$53,896,660

6. Interest expense

The Company has recorded interest expense net of interest income as follows:

	1989	1988
Interest expense:		
Long-term debt	\$1,829,483	\$1,566,336
Current debt	163,382	140,853
	2,092,875	1,707,189
Interest income:		
Term and other deposits	66,181	79,937
Interest expense net of interest income	\$2,026,694	\$1,627,252

7. Lotteries

In 1974, Edmonton Northlands and the Calgary Exhibition and Stampede formed a partnership, the Western Canada Lottery Alberta Division, for the purpose of conducting and operating continuing lottery schemes to be marketed throughout the Province of Alberta in accordance with the provisions of the Western Canada Lottery Corporation. The partnership is licensed under the Interprovincial Lottery Act to act as the Provincial marketing organization to assist the Corporation in the conduct, management and operation of lottery schemes in Alberta. The license is effective from May 26, 1989 to March 31, 1991. The Act provides that the proceeds from these lottery schemes in Alberta are to be paid into a fund ("Lottery Fund") from which the Minister responsible for the administration of the Act may make payments for the support of initiatives related to recreation or culture or any other purposes he considers to be in the public interest.

EDMONTON NORTHLANDS

Notes to Financial

Statements

— continued

September 30, 1989

A Ministerial order issued under the Act provides that Edmonton Northlands will receive \$5,000,000 annually from the Lottery Fund up to March 31, 1991, of which \$4,500,000 must be used to make payments of principal and interest on debts incurred for capital development projects.

For the years ended September 30, 1989 and 1988, the following amounts have been reflected in the financial statements with respect to lottery funds received.

	1989	1988
Used for capital projects and debt retirement	\$4,500,000	\$4,500,000
Used for operating purposes	500,000	500,000
	\$5,000,000	\$5,000,000

8. Resolution of issues with the City of Edmonton

During the year, the City of Edmonton and Edmonton Northlands concluded a conditional agreement which settled the significant financial demands made by the City in respect of prior years' property and business taxes, lease rentals and reinvested earnings. Under the agreement Edmonton Northlands is required to pay the City taxes on certain properties for the years 1983 to 1988 totalling approximately \$575,000. Sufficient provisions were made for City taxes in prior years such that this settlement has no significant impact on the current year's financial statements.

9. Comparative figures

Certain of the 1988 figures have been restated to conform with presentation adopted in the 1989 financial statements.

EDMONTON PUBLIC LIBRARY BOARD

Auditors' Report

To The Edmonton Public Library Board

We have examined the balance sheet of the Edmonton Public Library Board as at December 31, 1989 and the statements of revenue and expense, surplus (deficit) and reserve fund and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Edmonton Public Library Board as at December 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles set out in the summary of significant accounting policies in note 1 to the financial statements, applied on a basis consistent with that of the preceding year.

Edmonton, Canada
March 2, 1990

Peat Marwick Thorne
Chartered Accountants

EDMONTON PUBLIC LIBRARY BOARD

Balance Sheet

December 31, 1989
with comparative figures for 1988
(thousands of dollars)

	1989	1988
Assets		
Current assets:		
Cash and term deposits	\$ 666	572
Accounts receivable	8	11
Prepaid expenses	151	164
	825	747
Fixed Assets:		
Land, buildings and equipment	7,361	7,361
Less accumulated amortization	(6,021)	(5,511)
	1,340	1,850
	\$2,165	2,597
Liabilities and Deficit Current Liabilities:		
Due to The City of Edmonton	\$ 524	553
Accounts payable and accrued liabilities	92	70
Unexpended grants and donations	175	158
Accrued interest on debentures	52	65
Current portion of debentures payable	474	511
	1,317	1,357
Debentures payable (note 2)	1,340	1,850
Less current portion	(474)	(511)
	866	1,339
Deficit	(18)	(99)
Commitments (note 3)		
	\$2,165	2,597

See accompanying notes to financial statements.

EDMONTON PUBLIC LIBRARY BOARD

Statement of Revenue and Expense

Year ended December 31, 1989,
with comparative figures for 1988
(in thousands of dollars)

	1989	1988
Revenue:		
Grants:		
City of Edmonton	\$11,588	11,075
Province of Alberta	2,282	2,288
Fines and charges	786	767
Copiers	127	117
Rental of premises	50	50
Interest	39	31
Other	42	63
	14,734	14,391
Expense:		
Salaries, wages and employee benefits	8,983	8,648
Books and library materials	1,782	1,795
Maintenance of properties	1,453	1,477
Supplies	1,136	1,182
Property rentals	1,046	918
Amortization of fixed assets	511	605
Debenture interest charges	147	197
Bookmobile	34	18
	15,882	14,840
Excess of expense over revenue	\$ 338	449

See accompanying notes to financial statements.

EDMONTON PUBLIC LIBRARY BOARD

Statement of Surplus (Deficit) and Reserve

Fund

Year ended December 31, 1989,
with comparative figures for 1988
(in thousands of dollars)

	1989	1988
Unallocated surplus (deficit):		
Balance, beginning of year	\$ (99)	320
Excess of expense over revenue	(338)	(449)
Interest income		30
Balance, end of year	(437)	(99)
Kukulis reserve fund:		
Received during the year	413	
Interest income	6	
Balance, end of year	419	
Total	\$ (18)	(99)

See accompanying notes to financial statements.

EDMONTON PUBLIC LIBRARY BOARD

Statement of Changes in Financial Position

Year ended December 31, 1989,
with comparative figures for 1988
(in thousands of dollars)

	1989	1988
Operating activities:		
Excess of expense over revenue	\$ (338)	(449)
Add (deduct):		
Item not affecting working capital:		
Amortization of fixed assets	511	605
Net changes in non-cash working capital balances relating to operations:		
Accounts receivable	3	(6)
Prepaid expenses	13	(23)
Accounts payable and accrued liabilities	22	(78)
Accrued interest on debentures	(13)	(17)
Cash provided by operations	198	32
Surplus and reserve fund activities:		
Kukulis fund receipt	413	
Interest income	6	30
Cash provided by surplus and reserve fund activities	419	30
Financing activities:		
Increase in unexpended grants and donations	17	46
Repayment of debentures	(511)	(605)
Cash applied to financing activities	(494)	(559)
Increase (decrease) in cash during the year	123	(497)
Cash, beginning of year	19	516
Cash, end of year	\$ 142	19
Cash, end of year:		
Cash and term deposits	\$ 686	572
Due to The City of Edmonton	(524)	(553)
	\$ 142	19

See accompanying notes to financial statements.

EDMONTON PUBLIC LIBRARY BOARD

Notes to Financial

Statements

December 31, 1989

The Edmonton Public Library Board operates under the authority of The Libraries Act of Alberta and is administered by an independent board which reports to Council of The City of Edmonton. It operates thirteen public libraries and a bookmobile, and derives its revenues from its library operations and grants from The City of Edmonton and the Province of Alberta.

1. Summary of significant accounting policies:

(a) Fixed assets:

In accordance with accounting policies followed by municipal organizations, fixed assets acquired through debenture borrowing prior to 1988 are carried at their original cost less accumulated amortization. The annual amortization charge equals the annual principal payment of the debenture debt.

Fixed assets acquired through debenture borrowings subsequent to 1987 are acquired and held by the City of Edmonton on behalf of the Edmonton Public Library Board. The fixed assets, associated debt, and amortization charges are not recorded in the financial statements of the Edmonton Public Library Board but are included in the financial statements of the City of Edmonton. No charge is made to the Edmonton Public Library Board for the use of these fixed assets.

The Edmonton Public Library Board is also allocated an annual budget for capital expenditures by the City. These expenditures are funded by the City and are not included in the financial statements of the Edmonton Public Library Board.

Fixed assets acquired from revenue are expensed in the year of acquisition.

(b) Revenue recognition:

Library fines and charges are recorded on a cash basis.

(c) Government grants:

Certain government grants which are used to fund specific programs are applied against the costs of those programs.

(d) Interest on surplus accounts:

Interest earned on the surplus account funds is recorded within the respective surplus accounts.

(e) Kukulis reserve fund:

Funds received from the Kukulis estate were credited to reserves for future library uses.

2. Debentures payable:

At December 31, 1989 the Board has outstanding debentures payable in the amount of \$1,339,673 at varying interest rates between 5.75% and 12.5%. Certain of the debentures issued to date are eligible for an Alberta Government interest rebate which reduces the effective interest rate to 11% or 9% per year. Rebates of \$12,923 in 1989 were applied to reduce interest expense.

Principal and interest payments during the next five years are:

Year	Principal	Interest (before rebates)	Total
1990	\$473,849	126,403	600,252
1991	421,348	84,891	506,239
1992	332,684	47,149	379,833
1993	24,832	12,847	37,679
1994	2,587	10,870	13,457

EDMONTON PUBLIC LIBRARY BOARD

Notes to Financial

Statements

— continued

December 31, 1989

3. Commitments:

(a) The Board is committed to the following annual lease payments for library facilities. These payments do not include common area operating costs.

Capilano branch	The lease expired on January 31, 1990. The Board is currently renting the premises on a month to month basis at \$2,788 per month until a new agreement is executed.
Castledowns branch	\$46,000 per annum to May 14, 1991
Londonderry branch	\$60,000 per annum to January 31, 1994
Millwoods branch	\$119,736 per annum to August 31, 1990 \$146,344 per annum from September 1, 1990 to August 31, 1992 \$172,952 per annum from September 1, 1992 to August 31, 1994 \$199,560 per annum from September 1, 1994 to August 31, 1998 \$260,758 per annum from September 1, 1998 to August 31, 2003
Southgate branch	The current lease which expires on August 31, 1990 requires annual payments of \$95,190.

4. Transactions with the City of Edmonton:

Certain administrative services and facilities are provided to the Library by the City of Edmonton and may not be reflected in these financial statements.

ROYAL ALEXANDRA HOSPITAL

Auditors' Report

To the Chairman and Members of the Board of Governors of the Royal Alexandra Hospital:

We have examined the Balance Sheets of the Royal Alexandra Hospital Integrated Fund, Endowment and Special Purpose Fund and Anderson Hall as at March 31, 1989 and the following statements for the year then ended:

Integrated Fund	- Statement of Revenue and Expenses - Statement of Unappropriated Equity - Statement of Changes in Financial Position
Endowment and Special Purpose Fund	- Statement of Expendable Equity
Anderson Hall	- Statement of Unappropriated Equity

Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the hospital as at March 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles as described in note 2 applied, after giving retroactive effect to the change in the method of accounting for Redevelopment Planning and Administrative Expenses as explained in note 6 to the financial statements, on a basis consistent with that of the preceding year.

Edmonton, Alberta
June 9, 1989

Coopers & Lybrand
Chartered Accountants

ROYAL ALEXANDRA HOSPITAL

Integrated Fund

Balance Sheet

As at March 31, 1989
with comparative figures for 1988
(thousands of dollars)

	Statement 1A	
	1989	1988
ASSETS		
Operating:		
Cash and term deposits	\$ 1,734	1,249
Accounts receivable and recoverable:		
Patients	1,918	718
Province of Alberta	32	131
Due from Anderson Hall	22	17
Due from Endowment and Special Purpose Fund	248	
Sundry	233	312
Inventory of supplies — at cost	1,844	1,906
Prepaid expenses	831	344
	5,762	4,677
Capital grants receivable — Province of Alberta	2,884	1,316
Total current assets	8,646	5,993
Buildings, land improvements and equipment (note 3)	55,590	49,780
	\$64,236	55,773
LIABILITIES AND EQUITY		
Operating:		
Accounts payable and accrued liabilities	\$ 6,094	4,856
Due to Endowment and Special Purpose Fund		228
Current portion of debenture payable (note 4)	122	95
	6,216	5,179
Capital:		
Accounts payable and accrued liabilities	1,280	
Holdbacks payable	658	14
	1,938	14
Total current liabilities	8,154	5,193
Debenture payable (note 4)	3,415	3,539
Total liabilities	11,569	8,732
Unappropriated equity (Statement 3)	52,667	47,041
Commitments (note 5)		
	\$64,236	55,773

See accompanying notes to financial statements.

ROYAL ALEXANDRA HOSPITAL

Endowment and

Special Purpose Fund

Balance Sheet

March 31, 1989, with comparative
figures for 1988
(in thousands of dollars)

	Statement 1B	
	1989	1988
ASSETS		
Cash and term deposits	\$9,594	9,208
Other investments — at cost	1	1
Student loans receivable	5	6
Due from The City of Edmonton	33	29
Accounts receivable	223	24
Due from Integrated Fund		228
	\$9,856	9,496
LIABILITIES AND EQUITY		
Due to Integrated Fund	\$ 248	
Parking pass deposits	6	4
Accrued interest payable	357	367
	611	371
Endowment equity	1	1
Expendable equity (Statement 5)	9,244	9,124
	9,245	9,125
	\$9,856	9,496

See accompanying notes to financial statements.

Anderson Hall

Balance Sheet

March 31, 1989, with comparative
figures for 1988
(in thousands of dollars)

	Statement 1C	
	1989	1988
ASSETS		
Current assets	\$ 277	209
Land, building and equipment — at cost less accumulated depreciation	1,037	1,063
	\$1,314	1,272
LIABILITIES AND EQUITY		
Accounts payable and accrued liabilities	\$ 25	28
Due to Integrated Fund	22	17
Debenture payable (note 4)	894	902
	941	947
Contributed surplus	124	124
Unappropriated equity (Statement 6)	249	201
	373	325
	\$1,314	1,272

See accompanying notes to financial statements.

ROYAL ALEXANDRIA HOSPITAL

Integrated Fund

Statement of Revenue and Expenses

Year ended March 31, 1989, with
comparative figures for 1988
(in thousands of dollars)

	Statement 2	
	1989	1988
Revenue - Patient		
Provincial Government grants:		
Global payments	\$115,111	107,240
Uninsured services	4,388	3,970
Room differential charges	388	447
Waiting placements	240	
Other	49	51
	120,866	111,708
Other revenue:		
Provincial Government grants:		
Medical education	1,284	1,160
School of nursing	2,480	2,248
Other	67	157
Food services	1,816	1,666
Miscellaneous	431	518
Recoveries from other hospitals	81	158
Endowment and Special Purpose Fund	333	
	6,412	5,907
Total revenue	126,508	117,615
Expenses:		
Salaries and wages	84,776	78,855
Employee benefits	9,210	8,536
Medical and surgical supplies	8,118	7,246
Drugs	4,786	4,250
General expenditures	19,899	18,262
Total expenses	126,799	117,149
Operating (deficit) surplus for the year	\$ (291)	466

See accompanying notes to financial statements.

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ROYAL ALEXANDRA HOSPITAL

Integrated Fund

Statement of

Unappropriated

Equity

March 31, 1989, with comparative
figures for 1988
(in thousands of dollars)

	Statement 3	
	1989	1988
Balance, beginning of year		
As previously reported	\$46,359	43,555
Prior period adjustment (note 6)	682	602
Restated balance, beginning of year	47,041	44,157
Add:		
Operating surplus for the year (Statement 2)		466
Capital grants - Province of Alberta	8,131	4,048
Capital contributions from Endowment and and Special Purpose Fund	1,175	1,451
	9,306	5,965
Less:		
Operating deficit for the year (Statement 2)	291	
Depreciation and amortization	3,253	3,031
Cost of assets disposed of, retired or written off during the period (net of accumulated depreciation)	136	50
	3,680	3,081
Balance, end of year	\$52,657	47,041

See accompanying notes to financial statements.

ROYAL ALEXANDRA HOSPITAL

Integrated Fund Statement of Changes in Financial Position

March 31, 1989, with comparative
figures for 1988
(in thousands of dollars)

	Statement 4	
	1988	1988
Operating activities:		
Operating (deficit) surplus for the year	\$ (291)	466
Add (deduct):		
Net changes in non-cash working capital balances relating to operations:		
Accounts receivable	(127)	487
Inventory	262	(183)
Prepaid expenses	(487)	130
Accounts payable	1,238	(2,553)
Due to Endowment and Special Purpose Fund	(476)	(532)
Cash provided by (applied to) operations	119	(2,185)
Investing activities:		
Purchase of fixed assets	(9,199)	(5,426)
Capital grants — Province of Alberta	8,131	4,048
Capital contributions from the Endowment and Special Purpose Fund	1,175	1,451
Increase in capital grants receivable — Province of Alberta	(1,500)	29
Increase in capital accounts payable and accrued liabilities	1,290	
Increase in capital holdbacks payable	644	129
Cash provided by investing activities	463	231
Financing activities:		
Repayment of long-term debt	(97)	(63)
Cash applied to financing activities	(97)	(83)
Increase (decrease) in cash	485	(2,037)
Cash and term deposits, beginning of year	1,249	3,286
Cash and term deposits, end of year	\$1,734	1,249

See accompanying notes to financial statements.

ROYAL ALEXANDRA HOSPITALS

Endowment and Special Purpose Fund Statement of Expendable Equity

Year ended March 31, 1989, with
comparative figures for 1988
(in thousands of dollars)

	Statement 5	
	1989	1988
Balance, beginning of year:	\$ 8,124	8,483
Add:		
Registrations for workshops and seminars	42	8
Interest (note 1)	1,081	1,495
Parking lot revenues	1,828	969
Room differential charges for waiting placement patients	16	64
Donations and grants	635	511
School of Nursing surplus		143
Other	7	13
Vending machine revenues	29	28
Provincial Government grants	470	225
Prenatal classes and tours revenues	26	27
Transfer from long-term equity		1
	4,125	3,484
Deduct payments and appropriations:		
Capital additions — equipment and renovations	2,236	1,369
Parkade debenture interest	300	401
Parking expenses	200	295
Research	356	243
Transfer to integrated fund revenue to cover:		
Bad debts	49	67
E.C.M.O. program	75	
Computer lease	200	
School of Nursing — deficit	62	
Parkade debenture principal	97	83
Education and staff development	80	51
Expenditures from donation fund	28	180
Other	42	57
Vending machine expenses	12	15
Scholarships and awards	11	7
Prenatal classes and tours expenses	24	19
Redevelopment project	36	56
	4,085	2,843
Balance, end of year	\$8,244	9,124

See accompanying notes to financial statements.

Anderson Hall Statement of Unappropriated Equity

Year ended March 31, 1989, with
comparative figures for 1988
(in thousands of dollars)

	Statement 6	
	1989	1988
Unappropriated equity, beginning of year	\$ 201	157
Operating surplus for the year (note 1)	48	44
Unappropriated equity, end of year	\$ 249	201

See accompanying notes to financial statements.

Notes to Financial
Statements

March 31, 1989

1. Nature of operations and financial statement presentation:

The Royal Alexandra Hospital is a 932 bed hospital complex owned by The City of Edmonton. The hospital provides a full range of hospital services for central and northern Alberta.

The financial statements are prepared on a fund basis as follows:

Integrated Fund — includes the operating and capital assets of the hospital.

Endowment and Special Purpose Fund — represents all assets held for special purposes including assets held as endowments. Interest earned from deposits in the Integrated Fund of \$988,344 in 1989 (\$816,946 in 1988) is recorded in the Endowment and Special Purpose Fund. Room differential charges for waiting placement patients are also recorded in this fund. Reductions to this fund are as allowed by the Alberta Hospitalization Benefits Regulations described in note 2(a).

Anderson Hall — includes the assets, liabilities and equity of Anderson Hall which is a student apartment building. The revenues and expenses are not reflected in the hospitals' statement of revenue and expenses, but are reported on in separate audited financial statements which show an operating surplus of \$47,516 in 1989 (\$44,208 in 1988).

2. Accounting principles:

The financial statements have been prepared in accordance with generally accepted accounting principles except that i) depreciation provided on Integrated Fund assets is charged to unappropriated equity; ii) all leases are accounted for as operating leases; and iii) discretionary revenue has been recorded in the Endowment and Special Purpose Fund.

The following are the significant accounting principles:

(a) Revenue recognition:

The Alberta Hospitalization Benefits Regulations defines discretionary revenue as (i) preferred accommodation charges in excess of the amount collected from those sources during the 1982/83 fiscal year, (ii) donations, (iii) foundations, (iv) user charges, (v) net income from ancillary operations, and (vi) interest earned on investments. Discretionary revenue is not included in the operating surplus determined in accordance with the regulations.

In these financial statements discretionary revenue has not been included in the statement of revenue and expenses but has been included in the statement of expendable equity of the Endowment and Special Purpose Fund. The use of these funds is recorded as a reduction of the Endowment and Special Purpose Fund expendable equity.

Where the funds have been used to cover an operating expenditure of the hospital, they have been recorded as revenue of the Integrated Fund.

Notes to Financial

Statements

— continued

March 31, 1989

(b) Capitalization Policy:

Land, buildings, land improvements and major equipment additions are capitalized at cost.

Original minor equipment purchases are capitalized at cost. All subsequent minor equipment additions and replacements are expensed in the period of acquisition.

As fixed assets are disposed of or retired, the original cost and related accumulated depreciation are removed from the appropriate asset accounts and unappropriated equity.

(c) Depreciation:

Depreciation on buildings, land improvements and major equipment is provided on the straight-line basis at rates sufficient to amortize the costs of the assets over their estimated useful lives. The depreciation rates are as follows:

Buildings	2%
Parking lot	10%
Major equipment	6.7%
Leasehold improvements	20%

Capital assets are funded by the Alberta Department of Health and by expendable equity from the Endowment and Special Purpose Fund at the time of purchase. The assets are recorded at cost and the funding is added to unappropriated equity. Accordingly, depreciation is not recognized as a shareable expense but is charged directly to unappropriated equity.

(d) Leases:

Lease payments are expensed as they occur on all forms of leases. Under generally accepted accounting principles, a lease that transfers substantially all of the benefits and risks of ownership to the lessee should be accounted for as a capital lease by the lessee. Had such leases been accounted for as capital leases, the operating deficit for the current year would have been decreased by \$10,479, assets would have been increased by \$2,505,062, obligations would have been increased by \$2,663,263, and unappropriated equity at beginning of year would have been reduced by \$168,680.

3. Buildings, land improvements and equipment:

All buildings and land improvement are the property of The City of Edmonton.

The major components are as follows:

	1989	1988
Buildings:		
Parkade and incinerator facilities	\$11,866,702	11,866,702
Active treatment centre	16,641,257	14,689,464
Women's centre	7,472,636	7,472,636
Children's centre	3,342,240	3,342,240
School of Nursing and residence	3,313,335	3,157,867
Food services pavilion	1,418,997	1,396,688
Leasehold improvements	318,591	272,880
Greenhouses	3,986	3,986
	44,377,744	42,202,463
Parking lot surfacing and other ground improvements	531,973	531,973
Major equipment	35,401,056	32,575,956
Minor equipment	376,205	368,388
Construction in progress	4,875,863	1,132,754
Total buildings, land improvements and equipment	85,562,841	76,811,534
Deduct accumulated depreciation and amortization	29,972,861	27,031,798
Net buildings, land improvements and equipment	\$55,589,980	49,779,736

ROYAL ALEXANDRA HOSPITAL

Notes to Financial

Statements

— continued

March 31, 1989

4. Debentures Payable:

The debenture debt is held by the Alberta Municipal Financing Corporation and is used to finance the parkade, incinerator, and ancillary facility.

The debt bears interest at 12 1/2% per annum but is eligible for the Province of Alberta interest rebate subsidy which reduces the effective rate to 11%. Annual payments to May 1, 2001 will be made from the Endowment and Special Purpose Fund. The next five annual principal repayments are:

May 1, 1989	\$122,005
May 1, 1990	137,256
May 1, 1991	154,413
May 1, 1992	173,715
May 1, 1993	195,429

The debenture related to Anderson Hall is payable to Central Mortgage and Housing Corporation in semi-annual instalments of \$34,874 (including interest at 6 7/8% per annum) to June 1, 2020.

5. Commitments:

Future minimum lease payment requirements over the next five years, under leases relating primarily to computer and office equipment, are as follows:

1990	\$1,030,788
1991	789,916
1992	656,160
1993	421,304
1994	153,877

6. Change in Accounting Policy:

At the request of the Alberta Department of Health, the Royal Alexandra Hospital has changed its accounting policy for Redevelopment Planning and Administrative Expenses. This change has been applied retroactively and the effect is to capitalize rather than expense these expenditures. Fixed assets and unappropriated equity of the Integrated Fund at March 31, 1987 have been increased by \$602,061. The effect on 1988 is to increase fixed assets and capital grants - Province of Alberta by \$80,350.

7. Comparative Figures:

The comparative figures were reported on by other auditors.



Auditors' Report

To the Board of Trustees of
The Edmonton School District No. 7

We have examined the balance sheet of The Edmonton School District No. 7 as at August 31, 1989 and the operating fund statement of revenue, expenditures and surplus and the capital and loan fund statements of capital surplus and capital reserve, capital invested in fixed assets and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Edmonton School District No. 7 as at August 31, 1989 and the results of its operations and the changes in financial position of the capital and loan fund for the year then ended in accordance with the disclosed basis of accounting as explained in the basis of accounting note included in the Summary of Significant Accounting Policies, applied on a basis consistent with that of the preceding year.

Edmonton, Alberta
October 20, 1989

Thorne Ernst & Whinney
Chartered Accountants

THE EDMONTON SCHOOL DISTRICT NO. 7

Balance Sheet

As at August 31, 1989
(thousands of dollars)

	1989	1988
ASSETS		
OPERATING FUND		
CURRENT ASSETS		
Accounts receivable	\$ 23,189	\$ 23,211
Inventory of supplies	2,359	2,116
Due from capital and loan fund	9,806	7,794
Prepaid expenditures	603	537
	35,957	33,658
TRUST ASSETS		
Term deposits and investment certificates	380	431
	36,337	34,089
SCHOOL GENERATED ASSETS (note 1)	2,447	1,874
Total Operating Fund	38,784	35,963
CAPITAL AND LOAN FUND		
FIXED ASSETS		
Land and improvements	9,595	9,723
Buildings, furniture and equipment	379,632	357,912
Total Capital and Loan Fund	389,227	367,635
	\$428,011	\$403,598

THE EDMONTON SCHOOL DISTRICT NO. 7

Balance Sheet

As at August 31, 1989
(thousands of dollars)

	1989	1988
LIABILITIES, SURPLUS AND CAPITAL		
OPERATING FUND		
CURRENT LIABILITIES		
Bank indebtedness	\$ 21,528	\$ 18,214
Accounts payable and accrued liabilities	3,524	4,627
Purchase commitments	3,827	3,279
Deferred revenue	1,520	549
	30,399	26,669
ACCUMULATED DESIGNATED SURPLUS	5,558	6,989
	35,957	33,658
TRUST LIABILITIES		
Scholarships and awards	380	431
	36,337	34,089
SCHOOL GENERATED LIABILITIES (note 1)	2,447	1,874
Total Operating Fund	38,784	35,963
CAPITAL AND LOAN FUND		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	2,253	2,608
Due to operating fund	9,806	7,794
	12,059	10,402
LONG-TERM DEBT (note 2)		
Capital loans	1,855	1,456
Debenture debt	117,445	118,079
	118,500	119,535
CAPITAL		
Capital surplus	1,481	475
Capital reserve	916	
Capital invested in fixed assets	254,351	237,223
	256,748	237,698
Total Capital and Loan Fund	389,227	367,635
	\$428,011	\$403,598

Capital construction commitment (note 3)

THE EDMONTON SCHOOL DISTRICT NO. 7

Capital and Loan

Fund Statements of

Capital Surplus and

Capital Reserve

Year ended August 31, 1989
(thousands of dollars)

	1989	1988
Capital surplus at beginning of year	\$ 475	\$471
Gain on sale of land	926	4
CAPITAL SURPLUS AT END OF YEAR	\$1,401	\$475
Capital reserve at beginning of year	\$	\$
Transfer from operating fund	916	
CAPITAL RESERVE AT END OF YEAR	\$ 916	

Operating Fund

Statement of Revenue,

Expenditures and

Surplus

Year ended August 31, 1989
(thousands of dollars)

	1989	1988
Revenue		
School Foundation Program Fund	\$145,554	\$140,747
Provincial grants	31,690	29,238
Supplementary requisitions	123,215	117,423
Other	17,755	17,028
	318,214	304,436
School generated funds	10,069	10,246
	328,283	314,682
Expenditures		
Salaries and employee benefits	245,629	231,622
Debt service, including bank interest	27,021	26,066
Utility services	8,244	7,397
Transportation services	8,503	8,272
Other services	8,289	6,884
Supplies and materials	13,581	11,347
Furniture and equipment	7,462	5,394
Transfer to capital reserve	916	
	319,645	296,982
School generated activities	10,069	10,246
	329,714	307,228
SURPLUS (DEFICIT) FOR THE YEAR	(1,431)	7,454
Accumulated surplus (deficit) at beginning of year	6,989	(465)
ACCUMULATED DESIGNATED SURPLUS AT END OF YEAR	\$ 5,558	\$ 6,989

THE EDMONTON SCHOOL DISTRICT NO. 7

Capital and Loan

Fund Statement of

Capital Invested in

Fixed Assets

Year ended August 31, 1989
(thousands of dollars)

	1989	1988
CAPITAL INVESTED DURING THE YEAR FROM OPERATING FUNDS		
Furniture and equipment	\$ 7,462	\$ 5,394
Repayment of debentures	11,265	9,712
Repayment of capital loans	401	551
	19,128	15,657
Balance at beginning of year	237,223	221,566
BALANCE AT END OF YEAR	\$256,351	\$237,223

Capital and Loan

Fund Statement of

Changes in Financial

Position

Year ended August 31, 1989
(thousands of dollars)

	1989	1988
FUNDS DERIVED FROM		
Issue of debentures	\$ 10,631	\$ 7,970
Capital loans		31
Increase in capital invested in fixed assets	19,128	15,657
Proceeds from disposal of land	1,122	4
Increase in capital reserve	916	
	31,797	23,662
FUNDS APPLIED TO		
Cost of additions to		
Land and improvements		782
Buildings, furniture and equipment	21,788	13,647
Repayment of debentures	11,265	9,712
Repayment of capital loans	401	551
	33,454	24,692
INCREASE IN FUNDS PAYABLE	1,657	1,030
Funds payable at beginning of year	10,402	9,372
FUNDS PAYABLE AT END OF YEAR	\$ 12,059	\$ 10,402
Represented by:		
Accounts payable and accrued liabilities	\$ 2,253	\$ 2,608
Due to operating fund	9,806	7,794
	\$ 12,059	\$ 10,402

Notes to Financial

Statements

Year ended August 31, 1989

GENERAL

The Edmonton School District No. 7 is empowered to provide public education to its residents through bylaws approved by its Board of Trustees and pursuant to the provisions of The Alberta School Act.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

Revenue, including grants from the Alberta government, and expenditures are recorded on the accrual basis except as follows:

THE EDMONTON SCHOOL DISTRICT NO. 7

Notes to Financial

Statements —

continued

Year ended August 31, 1989

(1) Salaries are recorded when paid.

(2) Operating fund purchase commitments are recorded in the year in which the goods or services are ordered.

(3) Principal and interest on debenture debt and capital loans are recorded when paid.

(4) Local improvement charges on new school sites are recorded when billed by the City of Edmonton.

Inventory of supplies

Inventory of supplies is valued at average cost.

Fixed assets

Fixed assets, including buildings, building additions, major capital improvements and furniture and equipment, are recorded at cost in the capital and loan fund. Operating fund expenditures made during the year for replacement of, or additions to, furniture and equipment are recorded as contributions to the capital and loan fund. In the capital and loan fund, these items are recorded as fixed assets and as an increase to capital invested in fixed assets. Depreciation of fixed assets is not recorded in these financial statements.

1. SCHOOL GENERATED ASSETS AND LIABILITIES

School generated assets arise from the receipt of monies for various services and activities offered by individual schools such as student unions, yearbooks, instructional materials, textbook rentals, field trips and fund-raising projects of various types. Any excess of receipts over disbursements from these services and activities are placed on deposit with various chartered banks and are available for future use by the schools.

	1989	1988
	(thousands of dollars)	
School Generated Assets		
Cash	\$ 865	\$ 763
Term deposits	1,374	954
	2,239	1,717
Inventory		
Bookstore	144	113
Cafeteria	18	20
	162	133
Other	46	24
	\$2,447	\$1,874
School Generated Liabilities		
Amounts on deposit and held for future use by schools	\$2,447	\$1,874

2. LONG-TERM DEBT

Payments for each of the next five years on capital loan and debenture debt outstanding at August 31, 1989 are approximately as follows:

Year ending August 31	Principal	Interest
	(thousands of dollars)	
1990	\$3,332	\$13,934
1991	3,477	12,797
1992	3,136	11,699
1993	3,729	10,634
1994	3,646	9,617

Approximately 67 percent of the capital loan and debenture debt outstanding at August 31, 1989 is funded by the provincial government.

3. CAPITAL CONSTRUCTION COMMITMENT

At August 31, 1989 the commitment for the uncompleted portion of the construction program amounted to \$5,740,000 (1988: \$6,879,000). Substantially all of the construction program is to be financed through debenture borrowings which have been approved by the Local Authorities Board.

Auditors' Report

To the Board of Trustees

We have examined the balance sheet of Edmonton R.C. Separate School District No. 7 ("the District") as at August 31, 1989 and the statements of operating fund revenue, expenditures and equity, capital fund reserves and equity, changes in financial position for the capital fund, and changes in financial position for the operating fund for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the District as at August 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with accounting principles described in note 1 to the financial statements applied, after giving retroactive effect to the change in the method of recording vacation pay as explained in note 2 to the financial statements, on a basis consistent with that of the preceding year.

Edmonton, Canada
October 31, 1989

Peat Marwick
Chartered Accountants

EDMONTON R.C. SEPARATE SCHOOL DISTRICT NO. 7

Balance Sheet

As at August 31, 1989
with comparative figures for 1988
(thousands of dollars)

	1989	1988 (restated)
ASSETS		
Operating Fund		
Cash held in trust	\$ 164	203
Receivable from capital fund	1,410	2,193
Accounts receivable:		
Province of Alberta	189	455
City of Edmonton	7,515	6,929
Other	1,154	1,207
Inventories at average cost	786	1,000
Prepaid expenses	304	281
	\$ 11,522	12,268
Capital Fund		
Fixed assets:		
Land and servicing costs	\$ 4,840	4,873
Buildings	115,486	112,983
Furniture and equipment	20,306	19,575
	\$140,632	137,431
Total assets	\$152,154	149,699

See accompanying notes to financial statements.

EDMONTON R.C. SEPARATE SCHOOL DISTRICT NO. 7

Balance Sheet

August 31, 1989 with comparative figures for 1988 (in thousands of dollars)

	1988	1989 (restated)
LIABILITIES AND EQUITY		
Operating Fund		
Bank indebtedness (note 3):		
Cheques issued in excess of bank balances	\$ 887	304
Demand loan	2,100	4,200
Accounts payable and accrued charges	5,335	5,027
Accrued vacation pay	743	708
Outstanding purchase commitments	312	305
Deferred revenue	1,898	3,018
Trust liabilities	952	1,261
Operating fund equity (deficit)	285	(2,555)
	11,522	12,268
Capital Fund		
Accounts payable and accrued charges	\$	568
Payable to operating fund	1,410	2,193
Construction holdbacks payable		33
Short-term capital loans (note 4)	165	132
Debenture debt (note 5)	48,433	49,125
Capital reserves and equity	89,824	85,380
Contingencies (note 7)		
Capital construction commitment (note 8)		
	148,832	137,431
Total liabilities and equity	\$152,154	149,699

EDMONTON R.C. SEPARATE SCHOOL DISTRICT NO. 7

Statement of Capital

Fund Reserves and

Equity

Year ended August 31, 1989 with
comparative figures for 1988
(in thousands of dollars)

	1989	1988
Balance of equity, beginning of year	\$85,130	80,947
Contributions from operating fund	839	675
Debentures redeemed	3,858	3,913
Appropriation from equity to capital reserves	(117)	
Amortization of B.Q.R.P. expenditures	(512)	(517)
Short-term capital loans paid	59	112
Increase in equity	4,127	4,183
Balance of equity, end of year	\$89,257	85,130
Balance of capital reserves, beginning of year	\$ 250	348
Appropriation to capital reserves from equity	117	
Application of equity		(98)
Balance of capital fund reserves, end of year	\$ 367	250
Total capital fund reserves and equity, end of year	\$89,624	85,380

See accompanying notes to financial statements.

EDMONTON R.C. SEPARATE SCHOOL DISTRICT NO. 7

**Statement of
Operating Fund
Revenue, Expenditures
and Equity**

Year ended August 31, 1989 with
comparative figures for 1988
(in thousands of dollars)

	1989	1988 (restated)
Revenue:		
Provincial foundation plan	\$ 61,482	59,679
Other provincial grants	14,191	10,631
Supplementary requisition	43,821	40,899
Federal government	1,088	854
Other	5,134	4,924
	125,716	116,987
Expenditures:		
Salaries	86,956	83,360
Employee benefits and allowances	7,886	7,168
Services purchased and contracted	14,982	12,939
Supplies and materials	3,801	3,007
Contributions to capital fund	838	675
Debt services	9,783	10,259
	122,876	117,408
Excess of revenue over expenditures (expenditures over revenue)	2,840	(421)
Operating fund deficit, beginning of year — as restated (note 2)	(2,555)	(2,134)
Operating fund equity (deficit), end of year	\$ 285	(2,555)

See accompanying notes to financial statements.

EDMONTON R.C. SEPARATE SCHOOL DISTRICT NO. 7

Statement of Changes in Financial Position for the Capital Fund

Year ended August 31, 1989 with
comparative figures for 1988
(in thousands of dollars)

	1989	1988
Funds provided:		
Increase in accounts payable	\$	568
Debentures issued	4,167	1,360
Proceeds of short-term capital loans	92	91
Proceeds on sale of land	33	2
Increase in capital reserves and equity	4,244	4,085
Amortization of B.Q.R.P. expenditures	512	517
Funds provided	9,048	6,623
Funds applied:		
Purchases of		
Buildings	3,015	2,904
Furniture and equipment	731	521
Debentures redeemed	3,859	3,913
Decrease in accounts payable	568	
Short-term capital loans paid	59	112
Reduction of construction holdbacks payable	33	
Funds applied	8,285	7,450
Increase (decrease) in payable to operating fund	(783)	827
Payable to operating fund, beginning of year	2,193	1,366
Payable to operating fund, end of year	\$1,410	2,193

See accompanying notes to financial statements.

Statement of Changes in Financial Position for the Operating Fund

Year ended August 31, 1989 with
comparative figures for 1988
(in thousands of dollars)

	1989	1988
		(restated)
Operating activities:		
Excess of revenue over expenditures (expenditures over revenue)	\$2,840	(421)
Add (deduct):		
Net changes in non-cash working capital balances relating to operations:		
Cash held in trust	39	(10)
Receivable from capital fund	783	(827)
Accounts receivable:		
Province of Alberta	266	24
City of Edmonton	(586)	(339)
Other	53	(739)
Inventories	214	(229)
Prepaid expenses	(23)	99
Accounts payable and accrued charges	308	741
Accrued vacation pay	35	34
Outstanding purchase commitments	7	106
Deferred revenue	(1,920)	(154)
Trust liabilities	(389)	(196)
Cash provided by (applied to) operations	1,787	(1,911)
Bank indebtedness, beginning of year	4,504	2,593
Bank indebtedness, end of year	\$2,787	4,504
Represented by:		
Cheques issued in excess of bank balances	\$ 687	304
Demand loan	2,100	4,200
	\$2,787	4,504

See accompanying notes to financial statements.

EDMONTON R.C. SEPARATE SCHOOL DISTRICT NO. 7

Notes to Financial Statements

August 31, 1989

The Edmonton R.C. Separate School District No. 7 operates under the provisions of the Alberta Schools Act Chapter S-3.1, 1988 and through its own bylaws. The District is directed by an elected Board of Trustees, has approximately 2,300 employees and 85 schools, and is responsible for the education of approximately 27,000 students.

1. Significant accounting policies:

Vacation pay entitlement is accrued in the year in which it is earned (see note 2).

These financial statements have been prepared in accordance with generally accepted accounting principles except for the following accounting policies which are consistent with the accounting principles used by the Alberta Department of Education for Alberta School Districts.

(a) Fixed assets:

Fixed assets are recorded at cost. No depreciation has been provided for in these financial statements.

Building Quality Restoration Program (B.Q.R.P.) expenditures are capitalized to the extent that they are funded by debentures or short-term capital loans.

Amortization of the B.Q.R.P. assets is provided to the extent of the related debenture and short-term capital loan principal payments.

(b) Purchase commitments and unexpended decentralized budgets:

The District follows the policy of recording operating fund purchase commitments and unexpended decentralized school budgets as expenditures in the year the funds are committed or budgeted rather than in the year the goods and services are received and the actual liability incurred. In a period where schools spend in excess of the budget, the amount relating to future school years is recorded as accounts receivable.

(c) Interest on debentures:

Interest on debenture debt is recorded as an expenditure when paid. No provision for accrued interest payable on debenture debt has been recorded in these financial statements as payment of this interest is funded through the Provincial Foundation Plan.

(d) Deferred revenue:

The District follows the policy of matching the funding received for debenture repayments with debenture principal and interest repayments for the period. Funding received in advance of repayments is recorded as deferred revenue.

Revenue received in advance of the school year to which it relates is also recorded as deferred revenue.

2. Change in accounting policy:

During the year, the District adopted the accounting policy of accruing vacation pay entitlement in the year in which it is earned. Vacation pay had previously been recorded on the cash basis. The change in policy resulted in an increase of \$707,620 in the operating deficit at August 31, 1988 representing the cumulative amount by which accrued vacation pay as at that date had been increased. Of this total amount, \$33,700 was applicable to the 1988 year-end. The remainder is applicable to years prior to August 31, 1988 and the deficit at that date has been increased accordingly. The effect of these changes are as follows:

	1988	1988 (restated)
Operating deficit, beginning of year		
As previously reported	\$ (1,847,534)	(1,460,254)
Adjustment to prior year's vacation pay	(707,620)	(673,920)
Operating deficit, beginning of year, as restated	\$ (2,555,154)	(2,134,174)

For the year ended August 31, 1989, the effect of this change in accounting policy resulted in an increase in salary expense of \$35,380.

Notes to Financial

Statements

— continued

August 31, 1989

3. Bank indebtedness:

Bank indebtedness is secured by an operating loan borrowing resolution of \$10,000,000 which is renewed annually. Interest is calculated on the outstanding balance at the bank's prime lending rate.

4. Short-term capital loans:

Short-term capital loans are payable in annual payments bearing interest at the bank's prime lending rate. The repayment of loans and interest thereon is funded by the Provincial Foundation Plan.

5. Debenture debt:

Principal and interest payments on debenture debt are due as follows:

	Principal	Interest
1989	\$ 4,108,119	5,533,138
1990	4,028,119	5,109,077
1991	3,901,519	4,689,616
1992	3,719,839	4,277,452
1993	3,527,159	3,875,969
1994 to maturity	30,148,729	19,859,895
	\$49,433,484	43,345,147

Existing debenture debt matures in annual amounts to the year 2009 and debenture interest is repayable at rates ranging from 5.75% to 12.5% per annum. Repayment of debentures and interest thereon is funded by the Provincial Foundation Plan.

6. School generated funds:

Funds may be generated by individual schools through fund-raising projects, incidental sales and other activities. The receipts and disbursements related to these funds are not included in the accounting records of the District and, therefore, are not reflected in these financial statements.

7. Contingencies:

The District is defendant in various lawsuits as of August 31, 1989. While it is not possible to estimate the liability with respect to these lawsuits, management is of the opinion there will be no material adverse effect on the financial position of the District.

8. Capital construction commitment:

At year-end, the District is committed to the construction of Rhatigan Ridge School. The total cost of construction is estimated to be \$3,565,000. At August 31, 1989, none of this total is reflected in the financial statements, as no costs had yet been incurred.

9. Comparative figures:

Certain figures have been reclassified to conform with the presentation adopted in the current year.